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CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—THIRTIETH PARLIAMENT

23 Elizabeth II

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COMPRISING THE PERIOD FROM THE SIXTH DAY OF NOVEMBER, 1974,
TO THE TENTH DAY OF DECEMBER, 1974, INCLUSIVE

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HOUSE OF COMMONS

Wednesday, November 6, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

CONSUMER AFFAIRS

GOVERNMENT ACTION TO WARN OF DANGERS OF KRAZY GLUE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to Standing Order 43 I rise to propose a motion on a matter of urgent and pressing necessity. In view of the fact that a commercial product extensively advertised on national television under the trade name "Krazy Glue" has proven dangerous to children and adults alike, as expressed by members of the medical profession and others, and by the very nature of its name totally excludes the damage aspect and fails to properly illustrate those dangers both on the packaging as well as their advertising, and in view of the fact that with every day serious injuries are incurred by children and others, indeed making this motion an urgent one, I, therefore, propose to move, seconded by the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds):

That the government take the necessary steps to ensure that all advertising including TV contain warnings as to the dangerous qualities of this product and that the trade name "Krazy Glue" be changed in order to eliminate its present appeal to children.

Mr. Speaker: Order, please. As important a public matter as this may be, the hon. member will be aware that approximately two weeks ago another hon. member raised the matter through several questions in the House, and the minister who was questioned at that time was no doubt aware of the circumstances. I repeat that the subject matter may be important but I could scarcely hold that in view of the reference to this subject matter on that last occasion the matter still retains the urgency required under the rules.

* * *

[*Translation*]

AIRPORTS

ST. SCHOLASTIQUE—REQUEST FOR COMMISSION TO STUDY CLAIMS OF EXPROPRIATED PARTIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of obvious urgency and importance.

In view of the presence at noon today on Parliament Hill of hundreds of expropriated people from St. Scholastique who are angry at what they call the federal government's about-face with regard to them, and who are anxious, and rightly so, to be treated fairly and equitably, I move, seconded by the hon. member for Brome-Missisquoi (Mr. Grafftey):

That a parliamentary commission be established to hear evidence from all parties involved, to study and review all relevant documents, and finally to recommend to the government and Parliament specific measures in order to give justice to those expropriated at St. Scholastique.

Mr. Speaker: Order. The House has heard the hon. member's motion. Pursuant to Standing Order 43, the motion can only be debated with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

HOUSE OF COMMONS

SUGGESTED STUDY OF PROCEDURE ON ORAL QUESTION PERIOD—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask for the unanimous consent of the House to move a motion of extreme urgency and very great importance for the future of Parliament. I move, seconded by the hon. member for Témiscamingue (Mr. Caouette):

That the standing committee on procedure meet in a special sitting to examine most carefully the procedure of this House respecting the oral question period, more particularly with respect to supplementary questions which seem to be too numerous and time-consuming during a period which could be used in a more productive way by members of the different opposition parties on major issues dealing with administration, and current events and that the said committee report to this House before the adjournment for the Christmas recess.

Mr. Speaker: Although the motion is moved pursuant to Standing Order 43 and although it deals with a matter of tremendous importance, I regret to say that, in my opinion, it is not exactly a matter of urgency but rather a matter of interest to all members and a relevant matter. I do not think it is an urgent matter under the provisions of Standing Order 43.

Mr. Fortin: On a point of order, Mr. Speaker.

My colleague, the hon. member for Bellechasse (Mr. Lambert) moved that motion under Standing Order 43 to further specify the terms of reference given by parliamentary leaders on both sides of this House, through the

House of Commons

Chair, to the committee on procedure which will be sitting after the Christmas holidays. Mr. Speaker, I think that matter is extremely urgent, and there is also agreement between the four parties that the oral question period should also be reviewed.

Mr. Lambert (Bellechasse): On a point of order, Mr. Speaker.

My motion was made pursuant to Standing Order 43. I have always been under the impression that such motions required the unanimous consent of the House. Maybe I did not listen carefully enough, but was the unanimous consent of the House requested or was the decision made in another way?

● (1410)

[*English*]

Mr. Speaker: Perhaps I did not make myself clear. I was endeavouring to indicate to the hon. member that while his motion contained a subject matter of extreme importance, it was in my opinion more a matter of continuing concern such as other rules and procedures of the House which may be considered, which may be improved and which may be clarified at each session of every Parliament. Suggestions as to such improvements in the procedures of the House and the oral question period, as well as supplementary questions, are matters of continuing concern and therefore in my opinion, while this is an important matter, it cannot be used as a matter of urgent and pressing necessity to seek the consent of the House to set aside the ordinary business of the day. Accordingly, I rule it is not a proper question according to Standing Order 43.

Mr. Caouette (Témiscamingue): Mr. Speaker, on a point of order, may I say that I understand quite well what you said in respect of the motion of my colleague from Bellechasse, but I know that any rule or any ruling can be changed with the consent of the House, whether you like it or not. So at this moment I think you should have asked the House whether the House is ready or not ready for that motion. That is what I think.

Mr. Speaker: Order, please. I will remind the hon. member and the House one more time that notwithstanding the fact that a motion is presented to the House pursuant to Standing Order 43, and notwithstanding the fact that that rule envisages the unanimous consent of the House before debate is possible, the wording of the rule is as follows:

> A motion may, in case of urgent and pressing necessity previously explained by the mover, be made by unanimous consent . . .

Therefore, I take it as a condition of a motion presented pursuant to Standing Order 43 not only that unanimous consent of the House be sought but in addition that it not only be an important matter as this is but that it be a matter of urgent and pressing necessity which in my opinion this is not.

[Mr. Fortin.]

CRIMINAL CODE

AMENDMENT TO MAKE DESTRUCTION OF FOOD AN OFFENCE

Mr. Max Saltsman (Waterloo-Cambridge) moved for leave to introduce Bill C-361, to amend the Criminal Code (destruction of food).

Some hon. Members: Explain.

Mr. Saltsman: Thank you, Mr. Speaker. The purpose of this bill is to amend the Criminal Code in so far as the destruction of food is concerned so as to make it an indictable offence and therefore provide a penalty in cases where food fit for human consumption is destroyed. When this is done purposely as a form of protest, it becomes an immoral act in a world where so many people are in danger of starvation.

Motion agreed to, bill read the first time and ordered to be printed.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

LANDED IMMIGRANT STATUS OF CHILEANS

Question No. 6—**Mr. Reynolds:**

To date, how many Chileans have been approved for landed immigrant status, how many have actually arrived and how many of these people were originally born in Chile?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Between September 11, 1973 and September 16, 1974, 2,697 persons whose country of last permanent residence was Chile have been authorized to come to Canada of whom 1,098 have actually arrived. Particulars of their country of birth have not yet been tabulated.

● (0000)

DEFENCE SERVICES PENSION FUND

Question No. 14—**Mr. Reynolds:**

1. Did the government fail to publish an annual report of the Defence Services Pension Fund and, if so, for what reason?

2. Is any consideration being given by the government to investing the Defence Services Pension Fund monies into mortgages benefitting the contributors of the Pension Fund?

3. Who are the contributors of the Defence Services Pension Fund?

4. Is this Fund 50 per cent owned by the contributors?

Hon. James Richardson (Minister of National Defence): 1. The annual report of the Canadian Forces Superannuation Fund was tabled by the Minister of National Defence on October 3, 1974.

2. No. Since the Canadian Forces Superannuation Account is part of the Consolidated Revenue Fund, there are no separate moneys available and therefore consideration cannot be given to investing moneys in mortgages.

3. The Government and every member of the Regular Force contribute under the Canadian Forces Superannuation Act.

4. No. The Government contributes 1.8 times the members' contributions and, in addition, credits the account with interest and also assumes the responsibility for actuarial deficits as well as the amount considered necessary to provide for the increase in cost of benefits due to pay increases.

IMPORTS OF SOY BEAN MEAL

Question No. 18—**Mr. Horner:**

How much soy bean meal was imported in each year 1970 to 1974 to date?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Statistics on imports of soya bean meal are recorded in the Canadian Import Commodity Classification under code 153-60 Soy bean oil cake and meal. Shipments of this material entering Canada in the years 1970 to 1973 and for the first seven months of 1974 were as follows:

Year	Quantity (cwt)	Value ($'000)
1970	5,367,144	25,939
1971	4,580,762	21,338
1972	4,897,400	26,327
1973	4,218,347	46,409
Jan.-July	3,599,701	29,067

SOY BEAN MEAL

Question No. 19—**Mr. Horner:**

How much soy bean meal was used for human consumption in (a) 1973 (b) 1974 to date?

Hon. Otto E. Lang (Minister of Justice): Soy bean meal is not used for human consumption but is used in livestock and poultry feeds. Soy bean meal can be further processed into isolates and protein concentrates which are used in human nutrition. There are no statistics available for human utilization in Canada but it is estimated that approximately 0.3% of Canadian production of soy beans is used in human nutrition in Canada, or approximately 25,200 cwt.

CMHC—NOTARIES RETAINED IN CONSTITUENCY OF LOTBINIÈRE

Question No. 79—**Mr. Fortin:**

What notaries in the constituency of Lotbinière were authorized to draw up documents for signature when a contract is concluded between a purchaser and Central Mortgage and Housing Corporation or a builder, pursuant to the National Housing Act of 1954 (a) to January 1, 1961 (b) from January 1, 1968 to date?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: (a) Information on notaries retained by CMHC to process mortgage documentation for loans approved in the Municipal Counties of Arthabaska, Lotbinière and Nicolet prior to January 1, 1961, is not available. (b) Notaries retained by CMHC to process mortgage documentation for loans approved in the Municipal Counties of Arthabaska, Lotbinière and Nicolet since January 1, 1968, have been: Horace Bergeron, Victoriaville; Jacques Blondin, St-Grégoire; Gilles Boucher, Victoriaville; Michel Boulanger, Victoriaville; Jacques Côté, Arthabaska; Nicolas Larochelle, Victoriaville; Pierre Martel, Nicolet; Laval Simard, St-Léonard d'Aston; Michel Simard, St-Wenceslas; André Villeneuve, Gentilly; Charles-Édouard Villeneuve, Bécancour; Jean Villeneuve, Gentilly.

● (0000)

NATO—CANADIAN FINANCIAL AND PERSONNEL CONTRIBUTION

Question No. 82—**Mr. Fortin:**

1. For each year 1970 to 1973 inclusive, what was the financial contribution of the government to the North Atlantic Treaty Organization (NATO)?

2. How many Canadian soldiers were placed at the disposal of NATO (a) on a permanent basis (b) on a temporary basis each year (i) 1970 (ii) 1971 (iii) 1972 (iv) 1973?

Hon. James Richardson (Minister of National Defence): Insofar as the Department of National Defence is concerned: 1. The financial contribution to NATO infrastructure and military budgets for the period 1970 to 1973 was as follows: 1970/71, $14,384,000; 1971/72, $13,834,000; 1972/73, $14,323,000; 1973/74, $21,000,000 (estimated) See Note: 1.

2. The number of Canadian Forces personnel placed at the disposal of NATO for the years indicated is as follows:

a. Permanent basis—

Year	Number Stationed in Germany	Number Serving on Nato Staffs	Total
1970	5,792	401	6,193
1971	5,312	327	5,639
1972	5,092	234	5,326
1973	5,036	233	5,269

b. Temporary basis—

Year	Maritime Forces	Land and Air Forces	Total
1970	4,546	4,679	9,225
1971	4,536	5,215	9,751
1972	4,526	5,665	10,191
1973	5,016	5,665	10,681

NOTE: 1. The significantly higher contribution to NATO in 1973/74 was due to approximately $3,000,000 having been outstanding for 1972/73. This was caused by a new NATO policy of programming construction costs over a shorter time frame. Thus the contribution to NATO for the two fiscal years averaged: 1972/73, Approx. $17 million; 1973/74, Approx. $18 million.

Order Paper Questions

CONTINUOUS MARINE BROADCAST SERVICE

Question No. 88—**Mr. Marshall:**

Of the eight stations announced under DOT News Release 90/74 on August 1, 1974, what locations were chosen for east coast areas to provide continuous marine broadcast service on the east coast and particularly in Newfoundland?

Hon. Jean Marchand (Minister of Transport): The eight stations mentioned in DOT News Release 90/74 on August 1, 1974 are all on the Great Lakes or Upper St. Lawrence River. A program is underway to extend the service to the East Coast at the following locations: Comfort Cove, Nfld.; St. Anthony, Nfld.; St. John's, Nfld.; St. Lawrence, Nfld.; Stephenville, Nfld.; Grindstone Island (Magdalene Islands) Que.; Charlottetown, P.E.I.; Eddy Point (Canso), N.S.; Halifax, N.S.; Saint John, N.B.; Sydney, N.S.; Yarmouth, N.S.

CANADIAN COUNCIL ON ANIMAL CARE

Question No. 98—**Mr. Allard:**

Does the government subsidize the Canadian Council on Animal Care and, if so (a) for how many years (b) through what department (c) what amounts were granted in 1971, 1972 and 1973 (d) did the government make a grant as capital for the Council at the time it was created or at some later stage of its development?

Hon. Mitchell Sharp (President of the Privy Council): National Research Council: (a) NRC has supported the Council since 1969-70; (b) National Research Council; (c) 1971-72, $60,000; 1972-73, $60,000; 1973-74, $60,000; (d) No. Medical Research Council: (a) since the inception of the Council in 1968; (b) Medical Research Council; (c) 1971-72, $60,000; 1972-73,$60,000; 1973-74, $60,000; (d) No.

DEPARTMENT OF SOLICITOR GENERAL—NUMBER OF EMPLOYEES IN RECEIPT OF REMUNERATION IN EXCESS OF $20,000

Question No. 125—**Mr. Herbert:**

How many public servants in the Department of the Solicitor General received T4 slips for 1973 showing gross remuneration in excess of (a) $20,000 (b) $30,000 (c) $40,000?

Hon. Warren Allmand (Solicitor General): (a) 117; (b) 22; (c) 2.

● (0000)

DEPARTMENT OF LABOUR—NUMBER OF EMPLOYEES IN RECEIPT OF REMUNERATION IN EXCESS OF $20,000

Question No. 128—**Mr. Herbert:**

How many public servants in the Department of Labour received T4 slips for 1973 showing gross remuneration in excess of (a) $20,000 (b) $30,000 (c) $40,000?

Hon. John C. Munro (Minister of Labour): (a) 52 employees; (b) 5 employees; (c) nil.

[Mr. Richardson.]

DEPARTMENT OF THE ENVIRONMENT—NUMBER OF EMPLOYEES IN RECEIPT OF REMUNERATION IN EXCESS OF $20,000

Question No. 134—**Mr. Herbert:**

How many public servants in the Department of the Environment received T4 slips for 1973 showing gross remuneration in excess of (a) $20,000 (b) $30,000 (c) $40,000?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): 1. (a) 708; (b) 44; (c) 1.

PUBLIC SERVICE—PERSONNEL WHO FORMERLY WORKED IN THE OFFICE OF THE PRIME MINISTER OR FOR ANY OTHER MINISTER

Question No. 159—**Mr. Clark (Rocky Mountain):**

What was the (a) name (b) position (c) job description of every individual presently in the Public Service of Canada who worked in the Office of the Prime Minister, in the Privy Council Office or as a Research Assistant, Special Assistant, Executive Assistant, Secretary, Advisor, Consultant or in any other capacity in or for the office of any Minister or Minister of State from 1963 to the present?

Hon. Mitchell Sharp (President of the Privy Council): A reply to this question would require the review of personal files of every individual employed in the Public Service of Canada. In view of the workload involved, the Government does not feel justified in undertaking such a review. Employees of the Privy Council Office have always been members of the Public Service. The remaining individuals described in the question may have been members of the Public Service on leave of absence, while attached to the Office of the Prime Minister, a Minister or Leader of the Opposition in the House of Commons and thereafter returned to public service assignments. The exempt staff of the Prime Minister, Ministers, the Leader of the Opposition in the House of Commons, Leader of the government in the Senate or Leader of the Opposition in the Senate may be appointed to the Public Service under Section 37 of the Public Service Employment Act. Parts (3) and (4) of Section 37 set out the "Rights on termination of employment" of such employees while part (5) assigns the determination of the "Order of appointments to the Public Service Commission". The statutory base for appointments to Ministers' office dates from 1918 "Civil Service Act". In 1929, the 1918 Act was amended to include appointments to the office of Leader of the Opposition plus an amendment dealing with appointment of such individuals to the Public Service on termination of exempt employment. In addition to the appointment procedure set out in Section 37 of the Public Service Employment Act, any person may apply for Public Service employment and if vacancies exist, selection proceeds via normal Public Service Commission selection processes.

DEPARTMENT OF MANPOWER AND IMMIGRATION PERSONNEL IN HONG KONG

Question No. 191—**Mr. Orlikow:**

1. Have there been any changes in senior staff personnel of the Department of Manpower and Immigration in Hong Kong in the past six months?

2. Has the government asked for and/or received the resignation of any such personnel?

3. If no resignations have been received, is any one of such personnel under suspension or temporarily not carrying out his duties while an internal enquiry takes place?

4. If any resignation has been accepted, has the Department any further action under consideration?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Mr. R. L. Wales, a senior official of the Department of Manpower and Immigration, who had been seconded to the Department of External Affairs since November 18, 1971 as Commissioner for Canada, returned to the Department on March 1, 1974. On March 5, 1974, Mr. C. F. Rogers, also a senior official of the Department of Manpower and Immigration assumed the position of acting Commissioner for Canada. Subsequently, on August 22, 1974 Mr. M. G. Clark, a senior official of the Department of Manpower and Immigration who had been seconded to the Department of External Affairs, became Commissioner for Canada. On the same date, Mr. C. F. Rogers replaced Mr. L. J. Freeman as Officer in Charge of the Manpower and Immigration office in Hong Kong. Mr. Freeman then proceeded to a rotational assignment in Toronto, Ontario.

2. No.

3. No.

4. No.

● (0000)

WOODCUTTING AT ACADIA FOREST EXPERIMENT STATION, RIPPLES, NEW BRUNSWICK

Question No. 261—**Mr. Howie:**

1. Since January 1, 1973 what persons were permitted to cut wood on lands under the control of Acadia Forest Experiment Station at Ripples, New Brunswick?

2. How much wood did each person cut and how much money was paid to the Crown for such cutting rights?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): 1 and 2. For the Period January 1, 1973 to September 30, 1974

Persons	Cunits	Persons	Cunits	Persons	Cunits
Ackerson W.	892	Grant F.	4	MacBeth J.	339
Allain H.	4	Greer C.	96	MacNeill E.	8
Cormier R.	4	Haines E.	43	McCoy D.	32
Denton M.	746	Holland E.	12	Phinney C.	795
Dufour A.	8	Holland G.	8	Thomas J.	4
Gilbert D.	971	Holland H.	37	Trzop F.	874
Gilbert J.	464	Hopkins G.	480	Webber E.	376
Gilbert K.	449	Leblanc R.	8	Young K.	698
Gilbert W.	916	Lewis J.	11	Young L.	2

Stumpage dues received by the Crown for wood scaled from January 1, 1973 to September 30, 1974 were $50,310.46.

GOOSE BAY AIRPORT HOTEL—VS SERVICES LIMITED CONTRACT

Question No. 279—**Mr. Herbert:**

1. Have there been any revisions requested or considered in the VS Services Limited contract at the Goose Bay Airport Hotel?

2. Was the nationality of the ownership of the controlling interest in this company known or considered before the contract was awarded?

Hon. Jean Marchand (Minister of Transport): 1. There have been no revisions requested or considered in the VS Services Ltd. contract at the Goose Bay Airport Hotel.

2. Yes. Complete details on the company were obtained prior to the award of a contract.

CFB ESQUIMALT—OTHER RANKS CLUB

Question No. 283—**Mr. McKinnon:**

During the site selection of the Other Ranks Club for CFB Esquimalt (a) was there any local input (b) were meetings held with residents of the neighbourhood to determine their site preference?

Hon. James Richardson (Minister of National Defence): 1. (a) There was local input from departmental personnel concerned. (b) Since the site chosen is separated from adjacent private property by the department's married quarter area and is approximately ¼ mile from the nearest private dwelling, no consultations were held other than with departmental personnel.

NON-MEDICAL USE OF DRUGS GRANT PROGRAM—CONSTITUENCY OF OKANAGAN BOUNDARY

Question No. 295—**Mr. Whittaker:**

What was the total amount of money given out in the Non-Medical Use of Drugs Grant Program to date (a) what was the total given out in the Program in the constituency of Okanagan Boundary and what percentage is this of the total distribution (b) what projects in the Okanagan Boundary, by name and amount were given in grants (c) how many were given grants in previous years and what amounts were given to them at that time (d) how many permanent jobs were created (e) what was the total amount of applications received from the constituency of Okanagan Boundary?

Hon. Marc Lalonde (Minister of National Health and Welfare):

Year	Total committed $
1971–72	1,283,437.00
1972–73	3,664,558.00
1973–74	3,736,000.00
1974–75	3,183,258.00*

*This represents total committed to date for this year.

(a)

Year	Total Committed	Percentage of Distribution
1972–72	—	—
1972–73	$ 75,105.00	2 per cent
1973–74	$ 13,565.00	0.4 per cent
1974–75	—	—

(b) and (c) There was only one project in the Okanagan Boundary funded since 1971 until the present. The name of the project was "Imagine Penticton". Please see (a) for figures. (d) Figures are not available. (e) Since 1971, there have been three applications received.

Order Paper Questions

● (0000)

MASON JARS AND LIDS

Question No. 300—**Mr. Whittaker:**

How many companies in Canada produce masonry jars and lids for home canning (a) do they produce both items for sales individually (b) what percentage of their production is sold outside Canada (c) what has been their total production of these items in the past five years, by year?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Two companies produce glass Mason jars in Canada. These are Consumers Glass Company Limited and Dominion Glass Company Limited. These companies buy the lids and rings from Anchor Cap and Closure Corporation of Canada Limited and/or Bernardin of Canada Limited. The glass companies ship the Mason jars complete with lids to their distributors. The lid and ring manifacturers in addition to supplying the glass companies also supply the replacement market. The Mason jar and lid manufacturers do not export these products. Production statistics are not published. However, the two Mason jar manufacturers have advised the Department of Industry, Trade and Commerce that their current combined production is about 8.5 million jars per year, and 1974 production was higher than in any of the four preceeding years. The companies also advise that, in the past, certain market areas, i.e. British Columbia, have been inacessible to them because of U.S. imports.

AIR CANADA-UNCOMFORTABLE ECONOMY AIR TRAVEL

Question No. 336—**Mr. Herbert:**

Is the government aware that economy air travel is already an uncomfortable experience for those unfortunate enough to be six feet tall or more and will the government exercise whatever influence it may have over Air Canada to stop consideration of the shaving of two inches of leg space from each row aboard their jetcraft in order to accommodate two additional rows?

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: The airline is not considering any changes to economy class seating on any of its aircraft, nor has it made any changes for the past several years. The seat pitch in economy class is 34 inches, which conforms with standards set by the International Air Transport Association and the aviation industry.

ESTABLISHMENT OF AIRPORT—MUNICIPALITY OF WESTLOCK, NO. 92, ALBERTA

Question No. 385—**Mr. Elzinga:**

1. Has any progress been made to establish an airport in the Municipality of Westlock, No. 92, Alberta?

2. Can the Minister of Transport advise how much of a grant will be forthcoming for the proposed construction of the airport?

Hon. Jean Marchand (Minister of Transport): 1. Yes. Municipality of Westlock has applied for financial assistance to aid in construction of proposed new airport facility for the community.

2. No. The application is currently under review.

[Mr. Lalonde.]

NAMES OF PERSONNEL EMPLOYED IN GOVERNMENT AGENCIES

Question No. 388—**Mr. Clark (Rocky Mountain):**

What is the (a) name (b) position (c) job description of every individual presently employed by (i) Atomic Energy of Canada Limited (ii) the Bank of Canada (iii) the Canada Council (iv) the Canadian Broadcasting Corporation (v) the Canadian Commercial Corporation (vi) the Canadian Dairy Commission (vii) the Canadian Film Development Corporation (viii) the Canadian International Development Agency (ix) the Canadian Radio-Television Commission (x) the Canadian Transport Commission (xi) the Canadian Wheat Board (xii) the Central Mortgage and Housing Corporation (xiii) the Office of the Chief Electoral Officer (xiv) the Defence Research Board (xv) the Economic Council of Canada (xvi) Eldorado Nuclear Limited (xvii) the Federal Court of Canada (xviii) the Food Prices Review Board (xix) the Foreign Investment Review Agency (xx) the Fresh Water Fish Marketing Corporation (xxi) Information Canada (xxii) the National Capital Commission (xxiii) the National Energy Board (xxiv) the National Farm Products Marketing Council (xxv) the National Film Board (xxvi) the National Gallery of Canada (xxvii) the National Harbors Board (xxviii) the National Research Council of Canada (xxix) the Representation Commissioner (xxx) the Science Council of Canada, who worked in the Office of the Prime Minister, in the Privy Council Office or as a Research Assistant, Special Assistant, Executive Assistant, secretary, advisor, consultant or in any other capacity in or for the office of any Minister or Minister of State from 1973 to the present?

Hon. Mitchell Sharp (President of the Privy Council): The answer to this Question is similar to the reply to Question No. 159 answered this day. It would require the review of personal files of every individual employed in the agencies listed.

● (0000)

CONSTRUCTION OF RAILROAD EAST OF JAMES BAY

Question No. 437—**Mr. Laprise:**

Is it the intention of the government to construct a railroad east of James Bay for the transport of ores and goods?

Hon. Jean Marchand (Minister of Transport): There is no active study by the federal government at the present time to construct a railway east of James Bay.

STUDY OF EXISTING TERMINAL FACILITIES AT NORTH SYDNEY, NOVA SCOTIA

Question No. 501—**Mr. Muir:**

1. Did the Marine and Ferry Branch of the Department of Transport conduct a study to assess the existing terminal facilities and operations at North Sydney, Nova Scotia?

2. What were the results and recommendations of such a study?

3. What was the cost of this study and how many people were involved?

Hon. Jean Marchand (Minister of Transport): 1. The Marine and Ferry Branch of the Ministry of Transport engaged Swan Wooster Engineering Company Limited to study the existing ferry terminal facilities at North Sydney, Nova Scotia, and to recommend a program of development that would enable the terminal to adequately handle the traffic offering until the year 2000.

2. The final report has not yet been received from the consultant, but based on the draft already submitted to the Ministry of Transport the final report will recommend the construction of a new stern loading dock, parking lot and passenger facilities in 1975/76, and the construction of

various administrative buildings and additional stern loading facilities in a phased program over an eight year period.

3. The contracted cost of the study was $43,000. The study was carried out by 13 professional/technical staff members of the consulting engineering firm and its Nova Scotia associates.

PERSONS IN SPECIAL POSITIONS TO A MINISTER 1963-68 WHO HAVE MOVED TO OTHER POSITIONS

Question No. 525—**Mr. Dinsdale:**

What were the names of all persons who held the position of executive assistant, special assistant, private secretary, consultant and/or advisor, or any other special capacity to a Minister since the commencement of the 26th Parliament in 1963, and the end of the 27th Parliament in 1968, who have moved from that position to the Public Service or to Governor in Council appointments and, in each case (a) to what position did they move (b) at what salary?

Hon. Mitchell Sharp (President of the Privy Council): The government does not maintain records which would enable it to trace the subsequent careers of those who at one time served ministers in the capacities listed. In order to answer this question, it would be necessary to review the personal files of every individual employed in the Public Service of Canada. In view of the workload involved, the government does not feel justified in undertaking such a review. See also reply to Question No. 159 answered this day.

NAMES OF PEOPLE WHO HELD SPECIAL POSITIONS TO MINISTERS AND WHO HAVE MOVED TO THE PUBLIC SERVICE

Question No. 526—**Mr. Dinsdale:**

What were the names of all persons who held the position of executive assistant, special assistant, private secretary, consultant and/or advisor, or any other special capacity to a Minister since the commencement of the 28th Parliament in 1968, who have moved from that position to the Public Service or to Governor in Council appointments and, in each case (a) to what position did they move (b) at what salary?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question 525 answered this day.

● (0000)

*STATUES OF FORMER PRIME MINISTERS

Question No. 544—**Mr. Diefenbaker:**

1. Did the government commission statues of the Rt. Hon. Richard Bennett and the Rt. Hon. Arthur Meighen for the purpose of having them placed on Parliament Hill?

2. On what dates were these statues completed?

3. Where are these now being stored?

4. For what reason have they not been placed on Parliament Hill?

Mr. Gustave Blouin (Parliamentary Secretary to Secretary of State): 1. Mr. Speaker, as regards the Right Hon. Richard Bennett, the answer is no. As regards the Right Hon. Arthur Meighen, the answer is yes.

2. The artist's design proposal for the Right Hon. R. B. Bennett statue submitted in the fall of 1969 was not approved. The statue of the Right Hon. Arthur Meighen was completed in June of 1970.

3. The statue of the Right Hon. Arthur Meighen is in storage at Plouffe Park, Ottawa, the Department of Public Works storage area.

4. No decision has been reached as yet. The matter is under study and a decision should be reached before the landscaping season next spring.

Mr. Diefenbaker: Bring on the landscapers.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

DISTRIBUTION BY INCOME GROUPS OF FAMILIES AND TAXPAYERS, 1973

Question No. 189—**Mr. Orlikow:**

For the year 1973, what was the distribution by income groups of families and individual taxpayers, and particularly the groupings of income (a) above (i) $1,000,000 (ii) $500,000 (iii) $100,000 (b) below (i) $6,000 (ii) $5,000 (iii) $4,000 (iv) $3,000 (v) $2,000 (vi) $1,000 annually, based on income tax returns, Statistics Canada statistics or any other source?

Return tabled.

SPRUCE SPRAYING

Question No. 220—**Mr. Howie:**

1. Over what area, defined by counties, has spruce bud worm spraying been conducted in New Brunswick since January 1, 1974?

2. How much money, since January 1, 1974, has Canada paid for such spraying?

3. Did the spraying achieve its planned objectives, what were these objectives and, if not, what relative success can be reported and for what reason was complete success not achieved?

Return tabled.

● (0000)

DEPARTMENT OF SOLICITOR GENERAL—PRISON INVESTIGATION

Question No. 371—**Mr. Dick:**

1. For each year 1970-73 inclusive and 1974 to date, how many enquiries, commissions, boards investigations have been authorized and set up by the Department of the Solicitor General using people from outside the departmental staff or taken from within the Department but away from their normal jobs to investigate prison escapes, prison conditions or to conduct surveys or special enquiries on behalf of the Department?

2. How much money has been expended on each of these investigations, enquiries, commissions, boards, etc?

Return tabled.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that notices of motion for the production of papers be allowed to stand.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

WORLD FOOD CONFERENCE IN ROME—REASON FOR COMMITTING CANADA TO SUPPLY ONE MILLION TONS OF GRAIN

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the right hon. Prime Minister and it is with regard to the proposal made in Rome by the Secretary of State for External Affairs concerning aid in the form of grain. I should like to ask the Prime Minister why it was felt sufficient for the Canadian government to make a proposal to increase our grain aid to a level that is still well below that of 1970-71 and 1971-72 although the need and the general level of starvation has greatly increased? We like to look at OPEC countries and suggest that they have created great problems by increasing the price of oil, but we must recognize that there are great problems for food importing countries by virtue of the increase in the price of grain.

● (1420)

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, may I reply to this question as Acting Secretary of State for External Affairs. The various countries present at the world food conference were asked to make pledges. They were asked as a collectivity to pledge ten million tons of grain annually during the next three years. The government of Canada looked at this request very carefully and came to the conclusion that a proportion that would indicate Canada's willingness to help would be 10 per cent, which is about one million tons per year. Never in the past, of course, have we supplied one million tons a year every year for three years. It may be that we will be able to supply more, but we felt that was a constructive contribution to the world food conference and one we hoped other countries would follow.

Mr. Stanfield: A supplementary question, Mr. Speaker. I should like to ask the Acting Secretary of State for External Affairs whether the decision to make the commitment for one million tons a year was based upon an estimate of the inventory surplus or some other consideration?

Mr. Sharp: Mr. Speaker, as I have explained, it was based upon the request to which we were responding and as I say, if we are in a position to supply more than one million tons out of our surplus, we have not closed the door to that. We felt we should make a positive response, however. No other country in the world has made as positive a response as Canada has to meet this world problem.

Mr. Fairweather: They have not spoken yet.

[Mr. Reid.]

WORLD FOOD CONFERENCE IN ROME—GOVERNMENT POSITION ON PROPOSAL TO ESTABLISH A GRAIN BANK

Hon. Robert L. Stanfield (Leader of the opposition): One further supplementary, Mr. Speaker, relating to the attitude of the government of Canada to the proposal that a grain bank be established by the food exporting countries. Are we to take it that the Secretary of State for External Affairs has committed Canada to this proposal? Has the government of Canada endorsed this idea and has it prepared concrete proposals on how such a grain bank could be established?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, I think I would prefer to wait until my colleague returns from Rome. Negotiations are continuing and I know he has instructions to do everything that Canada can do to help meet the very serious problems now facing the world. It is probably the most serious problem the world has ever faced in this field.

An hon. Member: Why don't you lend-lease Otto?

WORLD FOOD CONFERENCE IN ROME—POSSIBILITY OF CURTAILING OTHER AID PROGRAMS TO PROVIDE ADDITIONAL FOOD AID

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is also to the Acting Secretary of State for External Affairs. Since the Secretary of State for External Affairs has stated in Rome that the government has allocated some $50 million out of our total aid spending to cure what he calls food problems in the world, may I ask if that involves any increase in the government's total aid budget? If it does, what existing aid programs is the government contemplating cutting to provide the additional food aid?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, this question was examined at great length in this House, in cabinet and in cabinet committee. An undertaking to supply about one million tons of grain annually, if it is in the form of food, represents an enormous increase in the funds put at the disposal of the countries of the world for food aid. We have been looking at the rest of the program to see whether this would involve us in having to cut back within the limits that we have established for our aid programs as a whole. We believe it will be possible to finance this increase in food aid within the three year period providing we can, with the support of parliament, increase the total amount of aid by perhaps 15 per cent each year.

WORLD FOOD CONFERENCE IN ROME—POSSIBILITY OF CANADA SUPPLYING FERTILIZER AND OTHER AGRICULTURAL AIDS

Mr. Jack Murta (Lisgar): May I ask a final supplementary question, Mr. Speaker. As the President of the Canadian International Development Agency has been quoted as saying that Canada, because of inflation and rising prices, will not be able to provide as much aid to third world countries as was provided formerly, and as fertilizer is in short supply in underdeveloped countries, will the Acting Secretary of State for External Affairs say

whether Canada is considering providing additional aid, such as fertilizer and high energy agricultural input aids, besides grain?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, dealing with the first part of the question, I hope members of the House noticed that when my colleague made his statement in Rome, he said that physical amounts of food are needed, not money. That is why Canada undertook to supply one million tons of grain every year for three years, instead of so many millions of dollars. That is the most practical response we can make. We are also pledging additional money to help in supplying other products which we may not be in the position to supply physically ourselves but which may be needed.

* * *

CONSUMER AFFAIRS

INCREASE IN PRICE OF SUGAR—GOVERNMENT ACTION TO PROTECT CONSUMER

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. An Ottawa man called the office of our parliamentary leader yesterday to say he had purchased a 10-pound bag of sugar in Ottawa one morning this week for $5.49 and had returned to the store one hour later to find that the price had jumped to $6.29, with no price being posted on the sugar, and as the price had gone up by 80 cents in one hour, can the minister indicate what action he is taking to protect consumers from this type of price gouging. Can he say whether he plans to take action to overcome the excessively high price of sugar in this country?

● (1430)

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I deplore the fact that the price of sugar has increased so much. The government will probably announce soon its sugar policy. As for the profiteering mentioned by the hon. member, I plan to introduce a bill very soon and I hope that this time the hon. member and his party will support it.

* * *

[*English*]

TRADE

EXPIRATION OF INTERNATIONAL SUGAR AGREEMENT—GOVERNMENT ACTION TO RENEGOTIATE AGREEMENT OR NEGOTIATE WITH CUBA

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, may I direct a supplementary question to the Minister of Industry, Trade and Commerce. As the international sugar agreement expired in December, 1973, what action has the Canadian government taken in trying to renegotiate that international agreement? Can the minister also tell the House whether he is negotiating a bilateral agreement between Cuba and ourselves for a guaranteed supply of sugar for this country.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, there have been discussions aimed at getting the international sugar negotiations under way again. I cannot give the hon. member an up-to-date account of the status of those negotiations but I will be pleased to make inquiries and give that information to him and to the House.

Mr. Nystrom: Mr. Speaker, may I ask a final supplementary question. As we import almost no sugar from Cuba, can the minister say whether he is involved in negotiations with that country in order to supply people in this country with Cuban sugar which would be guaranteed as to price and supply.

Mr. Gillespie: No, Mr. Speaker.

An hon. Member: Why not?

* * *

[*Translation*]

AIRPORTS

ST. SCHOLASTIQUE—INQUIRY AS TO MEETING WITH DELEGATION OF EXPROPRIATED PARTIES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the Minister of Public Works and the Minister of Transport.

At midday, a fairly important delegation of expropriated people from St.-Scholastique asked the government to review their requests. They do not demand preferential treatment, but merely ask to be treated on an equal basis with the people from Pickering. May I ask if the government or the ministers concerned meet at noon-time with the representatives of that delegation, Mrs. Lafond and Mr. Raymond, and if they agreed on some sort of agreement to ensure fair treatment for the expropriated people from St.-Scholastique?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, expropriation matters in St.-Scholastique are obviously under the jurisdiction of my colleague, the Minister of Public Works. As for the number of people from St.-Scholastique whose situation has not been cleared yet, I think there are hardly a hundred left out of the original 3,000. All other cases have been settled, either through court decisions, or by mutual agreement, and I might ask my hon. colleague the Minister of Public Works if he believes people have been treated unfairly.

Mr. Caouette (Témiscamingue): Mr. Speaker, I have a supplementary.

The Minister of Transport says his colleague should answer my question. I would therefore like to hear the answer of the Minister of Public Works.

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, all I can tell the hon. member is I shall be meeting that delegation next Friday.

[*English*]

NATURAL RESOURCES

OFFSHORE RIGHTS OF BRITISH COLUMBIA—TEST CASE CONCERNING DEFINITION OF INLAND WATERS—GOVERNMENT POSITION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources. Can the minister say whether in fact there are areas off Vancouver Island, such as inland waters, that were explicitly excluded from the test case put before the Supreme Court in 1967?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I will have to check the record on so specific a question.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I understand a new test case is to be put. I would like to know whether the federal government will be supporting the position of the province of British Columbia or opposing it.

Mr. Macdonald (Rosedale): Mr. Speaker, I gather the test case would relate to the inland waters as defined by that judgment. I think we will need to have further information on the exact relief being sought, particularly if the court has defined an area of inland waters which would be under provincial jurisdiction. It would be in our interests to work out with the province the exact demarcation of the two.

* * *

ADMINISTRATION OF JUSTICE

LOANSHARKING—REASON FOR NOT CHARGING OFFENDERS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I have a question for the Minister of Justice. According to an RCMP superintendent, there is ample evidence now in police hands about loansharking activities in southern Ontario, but because loansharking as such is not an offence under the Criminal Code, no charges are being brought. However, lending money at exorbitant rates is a breach of the federal Small Loans Act and is a punishable offence. What does the government intend to do in order to help smash these organized crime operations and, in particular, what is the minister going to do to remind the enforcement agencies of the requirements of bringing a prosecution under that act?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, the government will introduce in the next few days a bill to amend the Act and deal precisely with those cases mentioned by the hon. member.

[*English*]

Mr. Lawrence: Mr. Speaker, my question is to the Minister of Justice in relation to offences under the act which are now taking place. Does the minister have any information and is any suggestion going out to the enforcement agencies about offences under existing legislation?

[Mr. Drury.]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it is of course our constant policy with regard to federal statutes and offences within them to examine the manner in which they are being obeyed and to investigate whether it seems appropriate to lay charges, whether the investigations indicate that is the proper method.

* * *

ENVIRONMENTAL AFFAIRS

REQUEST FOR TABLING CONTINGENCY PLAN FOR OIL SPILL ON WEST COAST

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I wish to direct my question to the Minister of the Environment. Several times in past weeks I have asked the minister whether she could table in the House a copy of the contingency plans her department has in the case of a major oil spill on the west coast. Is the minister now prepared to table such a plan?

[*Translation*]

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, for some time now, hon. members opposite have been pressing me to table the plans to be carried out in the event of oil spills on the west coast.

I have tried to make them understand that I do not have any specific plan but rather contingency plans suitable for all kinds of circumstances, whether they be oil spills at sea or on land, on the east or the west coast, or spills of toxic substances on land. We have a system under which all the means at our disposal are coordinated by computer and can be adapted to any circumstance. To give an example of the efficiency of this plan—because I was pretty sure that the hon. member would ask further questions—

[*English*]

Mr. Speaker: Order; order, please.

[*Translation*]

Mrs. Sauvé: Mr. Speaker, I therefore made an inquiry about a hypothetical accident on the west coast. I got an answer and if I unrolled it, it would stretch from here to the hon. member's chair. I will use the usual means and send a messenger to hand it to him.

[*English*]

USE OF CANADA'S FRESH WATER SUPPLIES BY UNITED STATES—REQUEST FOR STATEMENT OF GOVERNMENT POLICY

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is for the Minister of the Environment. In view of the fact no government policy has been stated in this House regarding the use of Canada's fresh water supplies by the United States, and in view of the fact that you have and are aware of—

Some hon. Members: Order.

Mr. Wenman: —a firm policy statement on the export of Canadian water prepared and in files in your office—

Some hon. Members: Order.

Mr. Wenman: —why have you not presented this to the House? When will you do so, who is stopping you from presenting this to the House?

Some hon. Members: Order.

Mr. Speaker: Order, please. In addition to reminding the hon. member that his question is argumentative, I might point out I have refrained from reminding hon. members of the fact that all questions and remarks in this chamber are traditionally put to the Chair and not directly to the person who is being questioned. I refrained from doing that at the beginning of the session in order to allow hon. members time to acquaint themselves with the procedures, but it might be well now to remind hon. members of that.

Mr. Wenman: Through you, Mr. Speaker, may I ask the minister to answer my question.

[*Translation*]

Mrs. Sauvé: Mr. Speaker, I am terribly sorry, but I was busy giving the document to the messenger and I really did not hear the beginning of the question. I wonder if the hon. member would mind repeating it or rather shortening it.

[*English*]

Mr. Wenman: In view of the fact no government policy has been stated in the House regarding the use of Canada's fresh water supplies by the United States, and in view of the fact that you have and are aware of—

Some hon. Members: Order.

Mr. Wenman: —a firm policy statement on the export of Canadian water prepared and in your files, why have you not—

Some hon. Members: Order.

Mr. Wenman: —presented this to the House and when will you do so?

Mr. Speaker: Order, please.

[*Later:*]

Mrs. Sauvé: On a question of privilege, Mr. Speaker, I just want to say that we have no policy for the export of water to the United States.

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AIRPORTS

PICKERING—PURPOSE OF COMMISSION OF INQUIRY—REASON FOR ADVERTISING POSITIONS AT AIRPORT

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I wish to direct a question to the Minister of Transport. May I ask the minister whether the purpose of the Airport Inquiry Commission's hearings was to determine, in light of any new evidence, whether or not a second international airport was needed for the Toronto area. If this is the case, can the minister then explain why advertisements for positions at the new airport facility have appeared in various newspapers when the commission has not yet submitted its final report?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I missed the first part of the question. It obviously refers to the airport at Pickering. Of course, I still do not have this report. I will not have it before the end of December.

Mr. Beatty: As the minister missed part of my question, Mr. Speaker, I wonder whether I might be permitted to repeat it. May I ask the minister whether the purpose of the Airport Inquiry Commission's hearings was to determine, in light of any new evidence, whether or not a second international airport was needed for the Toronto area. If this is the case, can the minister then explain why advertisements for positions at the new airport facility have appeared in various newspapers when the commission has not yet submitted its final report?

Mr. Marchand (Langelier): Mr. Speaker, the terms of reference of the commission have been tabled in the House. It is not up to me to interpret them. I think the hon. member can do that himself.

* * *

TRANSPORT

RAILWAY BRANCH LINE ABANDONMENT—CONSULTATIONS WITH PROVINCES—GOVERNMENT POSITION

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of Transport. Has the minister decided to continue the moratorium on rail branch line abandonment? If not, has any decision been made and what is it?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, no decision has yet been made. It will have to be made very soon because we are committed to maintaining the branch lines until December 31. Therefore, we will have to make a decision very shortly.

● (1440)

Mr. Paproski: A supplementary question, Mr. Speaker. It has been reported that the government will consult with the grains council on which lines will be abandoned. Has the government also agreed to hold extensive talks with the provincial governments on any rail line abandonments, and has the government agreed in principle to provide financial assistance to the provinces for highway inprovements which would be required in the event that the railways were shut down?

Mr. Marchand (Langelier): Mr. Speaker, this decision has to be made by the Governor in Council. The Minister of Justice, who is responsible for the Wheat Board, made some formal statement on this and I think he is the one who can probably answer the hon. gentleman's question.

POSSIBLE REVIVAL OF RAIL PASSENGER SERVICE IN NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question that is supplementary to that asked by the hon. member for Edmonton Centre. In

view of the fact that both CN and CP are supposed to have plans to propose to the minister regarding reconciliation of rail transportation problems, I wonder whether the minister has seen those plans and read them and is able to advise the House if any recommendation was made to revive rail transportation passenger service in the province of Newfoundland.

Hon. Jean Marchand (Minister of Transport): I have not seen them yet, Mr. Speaker.

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ENERGY

SALE OF NUCLEAR REACTORS—CONSIDERATION OF SAFEGUARDS—REQUEST FOR STATEMENT OF POLICY

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. In view of the report that Canada has placed a moratorium on a dozen proposed uranium export contracts and that discussions with South Korea on the sale of a CANDU nuclear reactor have also ground to a halt pending a nuclear safeguards policy by the government, would the minister advise the House whether a similar moratorium has been placed on the proposed sale of a CANDU reactor to Argentina?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the contract has already been executed with Argentina and it is at a different stage from the contract with Korea. However, the government of Canada and the International Atomic Energy Agency are both now in the process of negotiation with the government of Argentina respecting satisfactory safeguards. The sale to Argentina will be dependent upon the conclusion of an effective safeguards arrangement between the agency and Canada and that country.

Mr. Leggatt: A supplementary question, Mr. Speaker. When the government finally comes to a conclusion regarding those safeguards, will this House be given an opportunity to debate their efficiency or effectiveness, and will the minister table the regulations or decisions that have been made regarding the safeguards policy for the consideration of this House.

Mr. Macdonald (Rosedale): Mr. Speaker, a statement of policy of that kind would certainly be made in the House.

* * *

[*Translation*]

AGRICULTURE

DAIRYING—REQUEST FOR BETTER PRICES FOR PRODUCERS—GOVERNMENT POSITION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the right hon. Prime Minister.

At the end of the 1974 election campaign, it was reported that a group of Liberal ministers promised that, if reelected, the Liberal government would take steps, the day after July 8, to increase the price of industrial milk, and that such a price hike would be adequate to cover rising production costs.

Does the Prime Minister feel the prices now received by industrial milk producers are adequate to cover all production costs and leave a reasonable profit to encourage them to keep producing milk?

Right Hon. P. E. Trudeau (Prime Minister): If I am not mistaken, Mr. Speaker, the question calls for an opinion statement. The government, of course, feels it is doing the right thing; as regards that part of the question that may seek information from the government, I am taking note of it.

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary.

I did not criticize what has been done, I merely asked if it was possible to do more. My supplementary is this: in order to prevent industrial milk producers from finding themselves in the same critical condition now faced by beef producers, can the Prime Minister give assurance to this House that measures guaranteeing this group of producers a fair and decent return will be introduced very soon?

Mr. Trudeau: Mr. Speaker, the hon. member can expect the usual answer, that any measures would be announced the usual way in this House.

* * *

[*English*]

CONSUMER AFFAIRS

REQUEST FOR ASSURANCE CONSUMERS RECEIVE BENEFIT OF PRICE DIFFERENTIAL BETWEEN GRADE A AND GRADE C BEEF

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to pose a question to the Minister of Consumer and Corporate Affairs. What action does his department take in periods such as this, when the price paid to producers for C grade beef is considerably lower than that paid for A grade beef, to see that this differential is passed on to the consumers and that C grade beef is not being sold at A grade prices?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, officials of my department and members of the board chaired by Mrs. Plumptre are presently studying the issue. I wish to thank the hon. member for having given me notice of his question which enabled me to do some checking. I can assure him that the Food Prices Review Board is to present a report on that other quality of beef meat within the next few weeks.

[*English*]

REGIONAL ECONOMIC EXPANSION

STUDY BY C. L. DUDLEY INDICATING DEVELOPMENT INCENTIVES INEFFECTUAL—GOVERNMENT POSITION ON RELOCATION OF NEW INDUSTRIES

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. It would appear that the conclusions of a recent study by Professor C. L. Dudley of the University of Ottawa's department of geography and regional planning indicate that the regional development incentives of the federal Department of Regional Economic Expansion have been ineffectual in inducing manufacturers to establish new plants in the nation's economically depressed areas. The study goes on to say that while increased business activity may have been stimulated and new jobs created, in many cases this growth is marginal and tends to serve those industries already located within the depressed regions.

Will the minister please explain to the House why so few attempts have been made to relocate new industries, which would far better serve to stimulate the over-all growth and development of these depressed regions than by further subsidizing traditional industry groups?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, if I may reply to the last half of the question first, obviously the main reason we have not sought to relocate industry is that hon. members on both sides of the House would be properly opposed to such a policy of moving industry from one location to another. As for the findings of the study, I have not seen them in detail, but may I say that, by and large, regarding our not being able to persuade certain kinds of industry to locate in slow growth areas I can make the same comment that I have made several times previously, namely that this is one of the problems with the program that we are seeking to try to correct.

* * *

INDUSTRY

LUMBER—GOVERNMENT ACTION TO STIMULATE MARKETS

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In response to questions previously put to him regarding the depressed state of the lumber industry in Canada, the minister replied that his department is studying the situation and will be making recommendations. Is the minister prepared today to inform the House what action his department is planning to alleviate some of these very serious problems?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we have been examining this question in some considerable depth but our study is not yet completed. I do not expect to have any announcement this week, but as soon as a decision has been taken I will announce it in the House, which is the appropriate place.

AIR TRANSPORT

EFFECT OF POSSIBLE DEFICIT OF AIR CANADA ON DEVELOPMENT OF REGIONAL AND THIRD LEVEL CARRIERS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Transport. Knowing that the Minister of Transport is keeping the financial affairs of Air Canada under his keen scrutiny, I should like to ask him whether in his opinion the anticipated deficit of Air Canada will have any adverse effects on the orderly development of regional air and third level air carriers?

Hon. Jean Marchand (Minister of Transport): My answer is no, Mr. Speaker.

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

Mr. Speaker: Order, please. We have been in some difficulty two or three times this afternoon with questions that are really seeking either a very general expression of opinion or a general expression of government policy. I have tried not to interfere with those questions and have let them be posed, but I have moved away from allowing a supplementary question. If this kind of question is going to be put, then I think it is fair that hon. members ought not to expect to ask a supplementary. When a question of a general nature is asked, hon. members will have to expect a general reply. In this case perhaps the hon. member would be more specific.

● (1450)

Mr. MacKay: Mr. Speaker, I have no intention of abusing the privileges of the House, but perhaps I did not put the question as well as I should have. I was really rising on a point of order as I did not catch the minister's reply. I did not hear what he said.

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

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I said very plainly that I did not think so.

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IMMIGRATION

HAITIANS—REQUEST FOR CHANGE IN GOVERNMENT'S ATTITUDE

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to ask a question of the hon. Minister for Manpower and Immigration.

Could the minister tell the House, to clarify the situation, if it is true that following some pressing representations made by his colleagues in caucus this morning—

An hon. Member: What do you know about that?

Mr. Wagner: —is it true he is going to change his inflexible attitude concerning the future of Haitian refugees?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): No, Mr. Speaker.

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AIR CANADA

PROPOSED CONSTRUCTION OF BASE AT WINNIPEG—DATE OF COMPLETION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, yesterday the vice-president of Air Canada said in Winnipeg that Air Canada did not propose to build the base in Winnipeg until 1979. In light of the Prime Minister's statement in Winnipeg during the election campaign, I wonder whether that date meets with his approval?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I have not seen the statement but I imagine it is true in so far as it represents Air Canada's intentions until the time the government asks it to accelerate the date.

Mr. Orlikow: Mr. Speaker, could the Prime Minister give the people of Winnipeg any indication as to when that base will be completed and operating?

Mr. Trudeau: Mr. Speaker, I attempted to answer this a few days ago and the Minister of Transport also replied to the question previously.

* * *

IMMIGRATION

DETENTION OF TWO POLISH FAMILIES AT NIAGARA FALLS—REQUEST FOR REFUGEE STATUS AND INQUIRY AS TO USE OF FORGED DOCUMENTS

Mr. Roger Young (Niagara Falls): Mr. Speaker, I have a question for the Minister of Manpower and Immigration concerning the detention of two Polish families who attempted to cross from Canada to the United States at Niagara Falls last week, were refused entry thereto, returned to Canada and detained for first having entered this country illegally after escaping from Poland by means of forged papers or other identity cards. Will the minister and his officials take all necessary steps to determine as soon as possible whether these two families might be granted refugee status and, secondly, will he have his officials investigate the means by which, and the sources from whom such fraudulent papers may have been obtained so that those who would unscrupulously profit from such activities may be apprehended, and in order that people who would sincerely wish to immigrate to this country might not jeopardize their rights or privileges to make proper legal application?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the Kaminski family has applied to remain in Canada as refugees. Their case was referred to the interdepartmental committee on Monday and will be examined in detail as to the validity of that claim. Of course, if there is a favourable decision from that committee that settles the matter. If not, they then would have access to appeal to the Immigration Appeal Board. I can assure the House that their story will be very carefully examined and a decision will be based on the merits of the case.

In respect of the other family, I am in some difficulty because the head of the household of that family has disappeared and we would have to contact him before we could find out what case he may or may not wish to present.

* * *

NATIONAL DEFENCE

IMPACT ON MUNICIPALITY OF POSSIBLE CLOSURE OF BASE AT MONCTON—CONSULTATION WITH MUNICIPAL AUTHORITIES

Mr. Leonard C. Jones (Moncton): Mr. Speaker, in view of the absence of the Minister of National Defence I should like to direct my question to his parliamentary secretary. In view of the talk of cutbacks and/or cutouts in the Department of National Defence, will the minister please inform the House whether he or his staff have had any discussions with the municipal authorities, the chamber of commerce and the labour council in the Moncton area with regard to the economic impact of possible closure or the reduction of Canadian Forces Base Moncton, resulting in layoffs and general economic effects on the community and the Moncton region generally?

Mr. Leonard Hopkins (Parliamentary Secretary to the Minister of National Defence): Mr. Speaker, I cannot answer the question directly. I am not aware of any discussions but I will check this out and get some information for the hon. member.

* * *

IMMIGRATION

HAITI—PROGRAM FOR ENCOURAGEMENT OF FRANCOPHONE IMMIGRANTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in view of the indication in the minister's short statement on immigration that he would encourage Francophone immigration, and in view of his own expression about Haitians, I should like to ask the Minister of Manpower and Immigration whether he has mounted any special program to recruit immigrants form Haiti, who of course are Francophones, and, if so, can he state in a general way what that program is?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think to illustrate that, in spite of the difficulties that face Haitians who are coming to Canada on an illegal basis, I should put on record that for the first six months of the current year we have accepted 1,790 regular immigrants from Haiti; for the same period only 1,398 from France, and it is possible that the total for the year 1974 of legitimate immigrants into this country from Haiti will run to 3,500 as compared with 2,178 for 1973 and 836 for 1972. I think that is an indication of our willingness to process and deal favourably with

applications that are made in a legitimate manner and in accordance with the rules, regulations and laws of this country.

Mr. Stanfield: Mr. Speaker, I was not asking the minister about his willingness to accept immigrants from Haiti, I asked him whether he has mounted any special recruitment program consistent with his policy of recruiting Francophone immigrants generally?

Mr. Andras: Mr. Speaker, an office was opened at Port-au-Prince a year and a half ago, which I think is an indication of our long-standing desire, and it is my hope that we can find ways and means to improve recruitment of Francophone immigrants to Canada, hopefully to Quebec.

* * *

ELECTION EXPENSES

POSSIBILITY OF AMENDMENT TO LEGISLATION

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I have a question and perhaps one short supplementary to the secretary of the Privy Council.

Mr. Speaker: Order, please. To my knowledge there is no secretary to the Privy Council present in the House.

Mr. Dick: I am sorry, Mr. Speaker, I intended that my question be directed to the President of the Privy Council. Thank you very kindly. I had no intention of demoting the minister.

In view of the fact it has been some ten days since it was drawn to the attention of this House that there has been a flagrant abuse of the Election Expenses Act, I believe an immoral exploitation of a loophole, such that provincial political party associations are going to reap benefits which were not intended, does the President of the Privy Council have any intention of introducing amendments to close up this loophole and stop the exploitation of the federal Election Expenses Act by the NDP or other political parties?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I have been reviewing the operations of the Election Expenses Act and I think it will be necessary to bring revisions before the House. The hon. member may be aware that one member on the Liberal side, the hon. member for Windsor-Walkerville, already has a private bill on the order paper for that purpose.

Mr. Speaker: I recognize the hon. member for one short supplementary.

Mr. Dick: Mr. Speaker, is the introduction of this bill being delayed as a government bill because of the fact that on October 28, 1974, on Liberal party of Ontario stationery over the signature of the president Jeffrey King, individuals were being asked to donate to the provincial party in the same manner—

Some hon. Members: Oh, oh!

Mr. Sharp: The answer is no, Mr. Speaker. I do hope, however, that hon. members on the other side of the House will co-operate in dealing with measures to clear the order paper so I can deal with this matter.

* * *

TRANSPORT

ASSURANCE AS TO AVAILABILITY OF CATTLE CARS IN WESTERN CANADA

Mr. J. H. Horner (Crowfoot): Mr. Speaker, in view of the drastic drop in cattle prices and the demand for feeder cattle in eastern Canada, can the Minister of Transport assure the House and the country that he and his department will make every effort to encourage both railways to make all possible livestock cars available in western Canada? We have the cattle and we want to move them but there is a shortage of cars right now. Will the minister's department assure the House and the country that they will make every effort to get these stock cars into western Canada to move the cattle?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I can assure the hon. member that I will make every effort that can be made in these circumstances.

* * *

● (1500)

[*Translation*]

HOUSING

AGREEMENT WITH QUEBEC ON HOUSING FOR NATIVE AND RURAL FAMILIES

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a question for the hon. Minister of State for Urban Affairs.

Could the minister tell the House if an agreement has been entered into with the government of the province of Quebec under the National Housing Act providing for the construction or the purchasing of housing facilities for rural and native families?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, we have signed agreements with the province of Quebec. I would have to check the precise details in relation to the question, but it covers the broad range of housing available in other provinces and this is a great step forward for the province of Quebec and for Canada.

[*Translation*]

INQUIRY AS TO REINTRODUCTION OF BILL C-134 PROVIDING LOANS TO MUNICIPALITIES

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a supplementary for the hon. Minister of State for Urban Affairs.

During the last Parliament, the Minister of State responsible for Urban Affairs introduced Bill C-134 providing for the continuation of the National Housing Act

concerning loans to municipalities; does the minister intend to re-introduce that legislation in the course of this session?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Yes, Mr. Speaker; this bill will be re-introduced.

* * *

CONSUMER AFFAIRS

ALLEGED MISLEADING ADVERTISING BY SECRETARY OF STATE IN OFFERING FLAGS TO MEMBERS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I should like to direct a question, through you, to the Minister of Consumer and Corporate Affairs. In view of the action taken under the Combines Investigation Act which resulted in General Mills Canada Limited being fined for misleading advertising of pewter beer mugs which were in fact made of aluminum, an offer described by the Justice Department's prosecutor as untrue, misleading and deceptive, will the minister now initiate an action against the Secretary of State, his seatmate, for misleading advertising contained in a letter offering Canadian flags to all Members of Parliament. This letter states that the small flag is on a "gold plated desk set mounting" when in fact it is only gold-coloured plastic.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I should think that the hon. member can refuse such an offer if he so wishes.

* * *

[*English*]

CANADIAN COMMERCIAL CORPORATION

ALLEGATION CORPORATION FAVOURS CERTAIN REGIONS IN MAKING PURCHASES—GOVERNMENT ACTION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Minister of Supply and Services of which I have given him notice with regard to the Canadian Commercial Corporation. In view of the fact that of the orders placed by this company with Canadian companies six out of ten provinces received less than 5 per cent of the business of this company and eight out of ten of the provinces received less than 15 per cent of the business of this company, can the minister advise the House whether any action is being taken by the government to bring this corporation in line with announced government policy to promote government business across Canada.

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I share the concern of my hon. friend. As a matter of fact the activities of the Canadian Commercial Corporation should be put in the perspective of the total purchasing power of my department. Having that in mind, we acquired last year in British Columbia four per cent of our total needs in goods and services. This is not enough. This is the reason why next week I am going to Vancouver to open a new regional office in order to do more business in British Columbia and in western Canada generally.

Mr. Reynolds: Mr. Speaker, I have a supplementary for the minister. I was not as concerned about British Columbia as the maritime provinces which are receiving a lot less than their share of the action. Is the government taking any action to make sure this business is spread equally across Canada and especially in the maritimes which are not as rich as the rest of Canada.

Mr. Goyer: Mr. Speaker, of course in our purchasing activities we must bear in mind the total industrial output. My department cannot create industries in different regions. This is why we must maximize our purchasing power by regions having in mind their total industrial output.

Mr. Speaker: Order, please. Orders of the day.

* * *

EXTERNAL AFFAIRS

WORLD FOOD CONFERENCE IN ROME—TABLING OF STATEMENT BY SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Mr. G. W. Baldwin (Peace River): I rise on a point of order, Mr. Speaker. In view of the great importance of the subject matter I wonder if Your Honour would inquire of the House whether it would give consent to revert to motions so that the Acting Secretary of State for External Affairs might table a very important statement made by the Secretary of State for External Affairs in Rome so all members would be in possession of the facts which would supplement the unusually very terse and abbreviated nature of the answers by the Acting Secretary of State for External Affairs.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, if I have the permission of the House I would be very happy to table a copy. I have only one copy and I understand the rules require that two copies be tabled, one in French. I have only one copy in the English language but I shall undertake to have both copies laid on the table. I present one copy now in English.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, why do we not make it an appendix to *Hansard*.

[*Translation*]

Mr. Fortin: Mr. Speaker, I rise on a question of privilege. It has just been brought to my attention, as parliamentary leader of the Social Credit Party in the House, that you made the following reply to the Leader of the Social Credit Party of Canada, the hon. member for Témiscamingue (Mr. Caouette), as reported in the *Hansard* of November 4, and I quote:

The hon. member for Témiscamingue will note, I am sure, that there are exactly five creditist members in the House at this time. I intend to

recognize a second creditist member during the question period. This, to my mind, is a fair proportion under the circumstances.

I have perused our Standing Orders, as well as Erskine May's Parliamentary Practice and Beauchesne's Parliamentary Rules and Forms, 4th Edition, to ascertain what the Speaker's powers are as to the counting of hon. members. The only reference I have found is the case of an hon. member inquiring whether there is quorum. Mr. Speaker, considering that you took the liberty to count the members of our party who were present in the House at the time to justify the number of questions allowed, I feel it is within my rights and privileges, as parliamentary leader, to explain why there were only five of us present in the House. Four hon. members were representing fellow citizens involved in arbitration awards of the Unemployment Insurance Commission, while the other two were attending a committee meeting. Mr. Speaker, I feel that our 11 members carry their share of the load as well as any other party and that this practice of counting hon. members should cease forthwith.

[*English*]

Mr. Speaker: Order, please. I would remind the hon. member that it was not the Chair that raised the subject. The hon. member for Témiscamingue raised the question of whether or not one of his colleagues ought to be recognized during the question period. My reply was simply to indicate I was trying to maintain a proportion between the various parties in this House. There were at the moment five members of his party to whom he referred present in the House. I indicated I had the intention of recognizing a second member during the question period, which I did, and that two out of five for Ralliement des Créditistes in proportion to the attendance of other parties in the House was absolutely just in the circumstances bearing in mind—

Some hon. Members: Hear, hear!

Mr. Speaker: —that two members of the Ralliement des Créditistes out of five members represents 40 per cent. If the Chair were to recognize 40 per cent of the New Democratic Party and 40 per cent of the Conservative Party at the same time, there would not be enough time, to say nothing of government members seeking to be recognized.

Some hon. Members: Hear, hear!

Mr. Speaker: I say only that my reference to the number of members of Ralliement des Créditistes present in the House was not my idea but was raised by the hon. member for Témiscamingue.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I rise on a point of order.

Further to that question of privilege, I can understand that you could say then that there were only five of us in the House. When the Chair allowed us three questions, for instance, during the question period, we never complained; the Chair did so willingly. But the other day, being told that there were only five of us was insulting. The number of members in the House, Mr. Speaker, and I am very serious in pointing it out to you, is our business. I doubt that the Chair counts the number of hon. members present each day before deciding how many questions will be allowed the Conservatives or the New Democrats.

Last Monday, the NDP had six members in the House and we had five. To my knowledge, in 16 years, the Chair has never said to the House: There are so many members in the House; you are therefore entitled to this or that many questions. The Chair has made its little point—

● (1510)

[*English*]

Mr. Speaker: Order, please. I might point out to the hon. member that I was perfectly aware on the day in question of the fact that there were exactly six members of the NDP in the House, that is the difference between the two parties at the moment, and the leader of the NDP did not ask me why they were not recognized. I have heard questions from their members. I recognized exactly two from their party and two from the Ralliement des Créditistes, which I felt was more than just in the circumstances in relation to all hon. members present.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Caouette (Témiscamingue): On a point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Témiscamingue (Mr. Caouette) is rising on a point of order.

Mr. Caouette (Témiscamingue): I simply wish to let you know that twice you have called us the Ralliement des Créditistes. This is not our name at all. We are the Parti Crédit social du Canada, The Social Credit Party of Canada.

So I respectfully request that you call us by our name from now on.

[*English*]

Mr. Clark (Rocky Mountain): Mr. Speaker, my point of order relates to an answer which I have just received to a question on the order paper which will be recorded in *Hansard* which, I believe, certainly inadvertently misleads the House. My question had been to seek the names and positions of those people who had served in the political offices of ministers of the Crown since 1963 who are now in the public service or the agencies. The answer in the reply of the President of the Privy Council indicated:

A reply to this question would require the review of personal files of every individual in the Public Service of Canada.

I submit that that is not correct. An alternative method to proceed would have been—

Mr. Speaker: Order, please. I seriously question whether the hon. member has a legitimate point of order. He has received a reply. Whether or not he questions the quality of that reply is not a point of order in this Chamber.

Mr. Clark (Rocky Mountain): Ten o'clock, Mr. Speaker.

[*English*]

Mr. Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles) raised the point as to whether or not the statement tabled by the President of the Privy

Council should be appended to today's *Hansard*. I took it that since there was no objection to that, it was agreed that that would be done.

Some hon. Members: Agreed.

[*Editor's note: For text of statement referred to, see Appendix "A".*]

GOVERNMENT ORDERS

[*English*]

VETERANS' LAND ACT

REQUEST FOR REVIEW OF TERMINAL DATE OF PROGRAM

The House resumed from Tuesday, November 5, consideration of the motion of Mr. Knowles (Winnipeg North Centre):

That this House calls on the Minister of Veterans Affairs to review the terminal date of March 31, 1975, now specified in the Veterans' Land Act, and to report thereon to the House within the time limit set out in chapter 3 of the Statutes of 1974.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, on the eve of the solemn ceremonies of November 11 I rise with pleasure and pride to participate in this debate on the Veterans' Land Act on the motion proposed by the hon. member for Winnipeg North Centre (Mr. Knowles) and so ably supported by my colleague, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). But I do so with certain misgivings because of the broken commitments by this government, especially with regard to veterans and the armed forces. It was for that reason that I indicated last evening, before calling it ten o'clock, that I could not share the confidence of my friend, the hon. member for Mercier (Mr. Boulanger), who preceded me in the debate.

I suggest that in a manner of speaking this whole debate is a comment, and not a very favourable one, on the government's credibility and reliability. A year ago we started out with unanimity. That unanimity has been wearing away, and now we find the government backing off. In veterans affairs, as in so many other areas, the government seems determined to run roughshod over the demands of this House. It lacks respect for this House.

Only yesterday we observed an example of the roughshod manner in which the government treats this House. As a relatively new member of the House I was literally appalled at seeing the government House leader, and then another prominent member of the government, rise to question a ruling of Mr. Speaker. I had been led to believe that that was just not done. However, we observed it yesterday; we saw once again the manner in which the government is prepared to ride over the rules of the House, and is trying to run the House for its own convenience.

What do we observe today in relation to this debate? We see the unanimous consent of the House of a year ago being reneged. A year ago almost to the day, on November 9 to be exact, as we were reminded by the hon. member for Winnipeg North Centre, this House agreed unanimously to a motion under Standing Order 43 to have the Minister of Veterans Affairs (Mr. MacDonald) re-examine the Veterans' Land Act with a view to extending the deadline for applications for benefits under the act. This was a unanimous agreement, let me emphasize.

What do we hear now? We hear vague hints and suggestions and what I would like to describe as weasel-word promises, and a gradual withdrawal by the government from a position it held as a minority government in a delicately balanced House. It is withdrawing from that position because it now has a majority. Could we suggest that member's of the government agreed a year ago to this study simply to build up their credibility in an election that they knew would have to come soon? Now that they are in a majority position, we hear a different song. I suggest that this is characteristic of this government led by this Prime Minister (Mr. Trudeau).

We saw it yesterday, and we heard it today also. Yesterday we heard the minister back away from his position. My comments are not directed toward the minister in person—I want to make that clear. I have great respect for him and his personal devotion to the veterans. But he is not supported by his government led by this Prime Minister. I feel that the minister has been compelled to back down by the failure of his colleagues to give him the support he needs in cabinet. I think that this is reprehensible. They have ganged up on him. Withdrawing from earlier commitments is all too characteristic of the government.

We have heard the promises made during the election campaign, promises that are now being repudiated, promises of public funds spent to the tune of about half a billion dollars which are now being repudiated. We have heard the promises of the government, and we know they are not to be relied on, Mr. Speaker. It promised us a new and better bill to help veterans. This is now being hinted at across the House, and we are being asked to accept that promise.

As an example of the broken promises offered by this government let me draw your attention to the conditions in the veterans' hospital in Victoria where many of my constituents go for treatment. This is the hospital where they used to get the treatment they deserved, but where now they are treated with something just bordering on contempt. They are a nuisance in that hospital now, whereas once they commanded respect. Under this government the veterans' hospital in Victoria was handed over to the province a month ago, with catastrophic and disastrous results. I should like to put some detail on the record which reached me on Monday of this week as the result of experiences at the hospital over the past weekend.

● (1520)

The staff, which had been under the jurisdiction of the Department of Veterans Affairs, was given the option of alternative employment or early retirement. Those who decided to stay on have been offered alternative employment. In fact this means that former administrators are being asked to perform tasks which, compared to their former employment, can only be considered demeaning. Instead of helping in the administration of that hospital they are now being asked to carry messages from building

to building, in the hope that their self-respect will wither and they will take early retirement. This is not the sort of treatment they thought they were going to get when the hospital was handed over to the province.

There are only two doctors left in the hospital. Once there were six. My friend who spoke to me about these matters on the telephone the day before yesterday was obliged to call on a chest specialist to examine him because the chest specialist who had been at the hospital was no longer in attendance. The doctors who were in attendance were so occupied they could not offer him the treatment he required. Where, I ask you, but in a veterans' hospital, with the history of how they became veterans and the circumstances of why they went there known to the staff, is it more likely that a chest specialist should be in attendance? Is this living up to a commitment?

The laboratories have been moved, and even wheel chair cases are obliged to go from one building to another for laboratory tests. Is this living up to a commitment? Electrocardiogram equipment has been removed from the veterans' hospital and patients who require this, although they are not expected to run, have to go to the other hospital to get electrocardiogram readings. I submit this is reneging on a commitment.

The chronically ill, those known as 29ers, are no longer able to eat in the dining room in the veterans' hospital. Even those in wheelchairs have been told to go to a much smaller accommodation known as the board room.

These are simple evidences from one person, Mr. Speaker, and I know I can get others. As far as I am concerned, they are evidences of the government's attitude toward those who saw their duty in wars in which Canada was involved. I find it disgraceful. These men are being repudiated by the leaders of the government just as the government is now reneging on the commitment of earlier governments to veterans under the VLA. As it is reneging on the commitment it gave to the veterans just a year ago by its association in the unanimous consent accorded on that occasion to a motion, so now it is reneging on the whole operation and hinting at other better legislation.

Some of those opposite who have spoken in this debate, such as the hon. member for Kitchener (Mr. Flynn), may be inclined to believe the promises the government makes from time to time, and particularly the promise of new and better legislation for veterans. I am not so gullible, Mr. Speaker. I have learned my lesson. I have been hearing promises since May and June of what the government is going to provide, and for many months before that. We have all seen so many of those promises repudiated.

We were warned by the "Chief Manitou" of promises himself, right at the outset of the campaign, that there were going to be promises made and we had better beware of them. He began to make a great many promises involving a lot of public money, and of course they have since been repudiated. Not too many of those promises fell on stony ground, however, and now that he has his majority position he feels quite free, indeed entitled, I suggest, to forget them.

Let us not get roped in by the vague and uncertain promises we hear from the other side of this House about new and better things for veterans. We cannot believe it until we see it. This reneging process could have attained epidemic proportions so let us watch out, let us beware.

What new legislation is being hinted at, Mr. Speaker? Let us see it. If it comes from the Minister of State for Urban Affairs (Mr. Danson) as has been suggested, let him bring it on. We cannot believe it until we see it. Many of my colleagues on this side of the House and myself fall into a class of unbelievers as far as the government is concerned because we can no longer accept its promises.

The VLA we now have must not be rejected or allowed to die on the statute books until something as satisfactory has been brought forward to replace it. We all know the story of the bird in the hand, so let us not go beating about in the bush looking for the bird that just may not be there.

Mr. W. Kenneth Robinson (Toronto-Lakeshore): Mr. Speaker, I am very pleased to have the opportunity of taking part in this debate because I happen to be a veteran, having served in the Royal Canadian Air Force and also the Canadian Army. I appreciate the remarks made by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) and the hon. member for Winnipeg North Centre (Mr. Knowles) whose motion we are debating. I appreciate the remarks and their sentiments, but on the other hand I must say that I too have been interested and concerned about veterans for many, many years. As a matter of fact, on Remembrance Day this year I shall be taking the salute as usual before at least one of the legions, of which there are five, in my riding.

At the end of world war II, Mr. Speaker, I was able to take advantage of the educational credits offered, and my brother took advantage of the Veterans' Land Act. Both of these were commendable ways in which the government showed interest in veterans, and we were helped a great deal. Just a year ago I was honoured by my legion, Branch 217, with a 25 year pin, and this certainly indicates that I have every concern and interest in veterans.

At this time in the debate, Mr. Speaker, it would appear that virtually everything has been said, and said several times. I believe we should take a look at the Veterans' Land Act, however, its provisions and history.

The Veterans' Land Act was enacted as one of three postwar rehabilitation programs and was designed to assist veterans of world war II and of the special force in Korea to settle in Canada as full time farmers, part time farmers and commercial fishermen. Assistance was also available to veterans who wished to act as their own contractors in construction of their own homes.

The act consists of three parts. Under Part I financial assistance, including both grants and loans, may be provided to veterans who held a Veterans' Land Act certificate of qualification on October 31, 1968, and who desire to settle on the land as full time farmers, part time farmers coupled with other employment, commercial fishermen, settlers on provincial or dominion lands, or Indian settlers on Indian reservations.

● (1530)

Part II of the act provides that any veteran who is approved for a loan under the National Housing Act may receive financial and other assistance to build his own home on any lot acceptable for a single family dwelling.

The amount that may be advanced is $18,000, or the amount of the approved NHA loan, whichever is the lesser.

Part III makes additional, fully repayable loans available to full-time farmers, part-time farmers and commercial fishermen both at the time they are established under Part I of the act and for so long as they have a subsisting contract with the director. The act requires that all veterans who wish to obtain financial assistance under the farming, small holding or commercial fishing provisions of the act must have had a valid qualification certificate by October 31, 1968. I understand that there remain some 100,000 veterans who indicated a possible interest in the Veterans' Land Act by obtaining a qualification certificate on or before that date, but who have not yet applied for financial assistance. The deadline for them to do so is March 31, 1975.

Veterans who have a subsisting contract with the director, and who wish additional financial assistance up to the limits of the act, may submit loan applications up to March 31, 1977.

The Veterans' Land Act regulations require that a small holding contain a minimum of one-half acre. However, when a parcel of land does not contain this minimum and no other land is readily available to make up one-half acre, this requirement may be reduced by 20 per cent. Commercial fishing establishments, and veterans whose disabilities are assessed by medical officers of the Canadian Pension Commission at 50 per cent or more, irrespective of whether the disability was service associated or not, may be exempted from this minimum acreage requirement.

Veterans wishing loans for full-time farming must have had at least two years' practical experience in the type of farming in which they wish to be established before a loan may be approved under the act. Farm loans may be approved under the categories of commercial family farms or small family farms.

Loans for commercial family farms are generally limited to farmers whose full-time occupation is farming. Financial assistance may be approved up to the lesser of $40,000 or 75 per cent of the security value of the land, basic herd livestock and farm equipment.

Mr. Benjamin: We all have the stuff the hon. member is reading.

Mr. Robinson: Of the total amount which may be advanced, $6,000 is available under Part I and bears interest at 3.5 per cent per annum. The remainder may be lent under Part III at the rate of interest applicable under the Farm Credit Act, which I understand is 9.25 per cent at present.

The down payment under Part I is 10 per cent of the amount requested for the purchase of land and buildings and to effect permanent improvements. As the maximum assistance on commercial family farms under Parts I and III may not exceed 75 per cent of the value of the security held, or to be held by the director, a veteran seeking a loan under Part III must have an equity of at least 25 per cent in the land and chattels offered as security for the assistance requested, or pay in cash an amount to raise his equity in the security to the required percentage.

Small family farms are units that do not produce a large enough farm net income to be classed as commercial farm units. In most cases such small farmers obtain some additional income, on top of their income from agriculture. Financial assistance of up to $18,000 or 75 per cent of the market value of the land, whichever is the lesser, may be approved. Interest rates are similar to those for commercial farmers; that is, 3.5 per cent is charged on the first $6,000, and the Farm Credit Act rate of 9.25 per cent applies to the balance, as I previously said. In addition to the down payment of 10 per cent, full-time farmers are required to repay two-thirds of the amount expended under Part I for all purposes except chattels over a period not in excess of 30 years, with interest at 3.5 per cent.

The remainder of the assistance under Part I, plus any amount used for the purchase of chattels not exceeding $1,200, is a conditional grant and need not be repaid if the veteran fulfills the terms of the contract for a period of 10 years. In the aggregate a veteran may obtain a conditional grant of up to $2,320.

A feature of farm lending peculiar to VLA is the open end mortgage concept; that is, as the principal indebtedness is reduced, additional loans may be approved provided the indebtedness at any one time does not exceed the statutory ceilings.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. The hon. member has not told us anything thus far which cannot be obtained if one writes to the minister. The veterans of this country are interested in what is to happen to those particular pieces of legislation. I think the hon. member is wasting the time of the House by reading this material into the record.

The Acting Speaker (Mr. Penner): Order, please. I doubt whether the hon. member has raised a valid point of order. He may have a difference of opinion, or a grievance about the way in which the hon. member is presenting his case. Nevertheless, the hon. member for Toronto-Lakeshore (Mr. Robinson) has the floor and he may continue.

Mr. Robinson: Small holders and commercial fishermen may also obtain part I assistance of the same basis and terms as described for full-time farmers. In addition, up to $10,000 may be lent to them under Part III, provided the individual veteran contributes in cash or equity one dollar for each five dollars borrowed, thus making available for disbursement a maximum of $12,000 under Part III and an aggregate total under both parts of $18,000.

The conditional grant available to farmers is also available to small holders and commercial fishermen up to a maximum of $2,320, depending upon the acreage of cultivable land. However, small holders generally use the full amount of assistance available under Parts I and III for house construction or to purchase land, and for permanent improvements and their grant is, therefore, normally $1,400. The remaining indebtedness is repayable over a maximum period of 30 years, with the Part I indebtedness repayable at 3.5 per cent and the Part III indebtedness at the rate applicable to loans under the Farm Cerdit Act at 9.25 per cent.

Qualified veterans seeking establishment on federal or provincial land as farmers, commercial fishermen or small

holders, may obtain a grant of up to $2,320 for the purchase of improvements, for essential building materials, for clearing and breaking, and for livestock and equipment. No down payment is required, and the $2,320 is not repayable if the veteran fulfills the terms of his settlement agreement for a 10-year period. Similar assistance is available to Indians on Indian reservations.

Since inception, 140,000 veterans have been approved for assistance under the Veterans' Land Act, more than 13 per cent of the enlistments for world war II and Korea. For the fiscal year 1973-74, over 8,000 loans were approved of which 2,500 were additional loans to veterans already settled under the act. Since inception of VLA operations, in excess of $1,200 million has been disbursed under all sections of the act. The outstanding principal investment is $545 million. Currently there are approximately 9,000 farm accounts and 51,000 small holding and commercial fishing accounts. At the end of September, 1974, the total VLA staff consisted of 480 employees, compared to 1,818 in 1947. As one can see, this represents a considerable reduction in staff, in line with the reduction in the number of claims.

Since 1942 when the act was created there have been a substantial number of amendments. The original ceiling of $4,800 was progressively increased to $40,000 for full-time farmers and to $18,000 for small farmers, commercial fishermen and small holders. The repayment period has been extended from 25 to 30 years. Aside from the increased ceilings perhaps the most significant changes have related to the purpose for which expenditures may be made.

Mr. Benjamin: The minister wants to cancel these provisions.

Mr. Robinson: Initially, expenditures were limited to the purchase of land and improvements and to the purchase of a limited amount of livestock and farm equipment. It is now possible to utilize loans for almost any worth while purpose relating to the improvement of the security in land permanent improvements, for livestock and equipment, and to pay off various farm operations or property debts.

● (1540)

There were no terminal dates in the act prior to 1959. In that year, by means of Bill C-50, a section was introduced into the act which established a time limit for a veteran who wished to be settled under Part I to obtain a certificate of qualification. The time set was 15 years after September 30, 1947, or 15 years after a veteran's discharge, whichever date was the later. By Bill C-80 in 1962 this date was extended to October 31, 1968, which corresponded with the final date for the use of re-establishment credits.

For the purpose of phasing out VLA lending operations in an orderly manner, Bill C-128 was approved by parliament in 1965. It established terminal dates for submitting loan applications and for the commencement of work related to construction or effecting other permanent improvements. The terminal date for new establishment loan applications was the March 31, 1974, but this deadline, pursuant to the provisions of Bill C-17 approved by parliament last spring, has been extended to March 31, 1975. A veteran with a subsisting contract may apply for an additional loan up to March 31, 1977. Construction or improvement work must commence within one year of these dates.

The foregoing is a concise history of the act and its provisions. It is now time it was terminated. If new measures are necessary, they can be brought forward, Mr. Speaker.

I agree with the minister when he said, and I quote:

> An urban housing program for veterans who have reached or are approaching retirement from post-war careers is inconsistent with an agriculturally-oriented rehabilitation program which was designed to assist veterans following their discharge from wartime active service.

I also agree with him when he said, and I quote:

> Many low or modest-income veterans have needs in respect to housing. It is realized that many do—and that their requirements or preferences are varied in nature. It is in recognition of that awareness, and of the greater relevancy of the provisions of the National Housing Act to those needs, that a study has been undertaken to examine whether special arrangements should be made to assist such veterans.

In conclusions may I say that I have every concern and interest in veterans and their affairs. I have had close contact with them for over 25 years. However, I do believe the Veterans' Land Act should be wound up without any further extension. I must therefore vote against the motion because the Veterans' Land Act has really outlived its original basic usefulness.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I do not often speak on matters affecting veterans, although it goes back a long way to when I first became a veteran. And 1916, in the month of March or April, is a year and a day of long ago. Through the years I belonged to the Canadian Legion, first in the Great War Veterans' Association from September, 1917, through to 1924 when the Canadian Legion had its beginnings.

When I was Prime Minister I recommended to Her Majesty the Queen that the Canadian Legion, by reason of its service, should be entitled to have the addition of the royal honour of Royal. It was pointed out to me that no other national Legion, whether in the United Kingdom, Australia, New Zealand or elsewhere had that right. I could only conclude that the Prime Ministers of those several countries had not asked her for her approval. As a result of the representation made, the Canadian Legion became the Royal Canadian Legion.

When I listen to these young members speak, I begin to realize that I am indeed casting my longest shadow toward the east. I have listened to a number of the speeches and read all of them. I would now endeavour to bring this House back to the question that we face.

I recall the days of world war II and the tremendous galaxy of greatness sitting on the treasury benches. All of them today have gone beyond, excepting one. I think of Colonel J. L. Ralston, Angus L. Macdonald, Chubby Power and Clarey Gillis of the CCF. There are other members I could mention in the Social Credit. The only one now living of that group who sat on the front benches of those days is the Hon. Joseph Thorson.

In 1944 it was decided that this House should consider a veterans charter. In those and in later days when debates took place on matters concerned with veterans, ministers were in the House. Today the numbers that are present

consist of two ministers. That is of some interest, I am sure.

The veterans charter was something on which we all worked. I have not looked up *Hansard*, since, but I recall the hours and days that we spent. Many of those were veterans of the first great war, for few of the second great war had yet returned.

In the last days of that legislation the three Ministers of Defence mentioned the contribution made by Her Majesty's loyal opposition and of various amendments, and I say this in all modesty, that they were advanced by myself.

Why this haste to get rid of this legislation? What is the reason? It certainly cannot be in the heart of the gallant Minister of Veterans Affairs (Mr. MacDonald). Indeed, as he listens to the debates, he makes very clear the fact that he is doing a job he does not want to do because he invariably keeps his eyes down on the documents before him.

Mr. MacDonald (Cardigan): Come on, John. I am busy.

Mr. Diefenbaker: It is true. I have watched the minister with interest. I have great admiration for his tremendous service in the days of war. He has a job to do.

Why do these members of the government want to get rid of this legislation? They talk of politics. Somebody mentioned there should be no politics in connection with veterans affairs, and that is right. Those sitting opposite should be their own physicians in that regard.

Before the election the government postponed action, along the lines suggested by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) and the hon. member for Winnipeg North Centre (Mr. Knowles). Their plea was accepted, and action was put off until after the election. There were no politics, of course, activating any member of the government in postponing this legislation; they were filled with a desire to help the veteran. I heard about it in my own constituency. People said: "Isn't it wonderful how the government listened to the arguments of the opposition and has postponed action on terminating the Veterans' Land Act?"

● (1550)

Now the election is over, a majority has been attained, and this motion is being talked out. It is being talked down and opposed by the very members who were giving it their utmost support during the period between 1972 and 1974. What is the haste here? As pointed out by the hon. member for Esquimalt-Saanich (Mr. Munro), the government has promised that sooner or later, at some time, other legislation will be introduced. I say the government should postpone consideration of this motion and bring in that legislation now. I ask the government whether it has that legislation ready, or is it in cold storage? Have the bills been drawn? I wait for an answer, but the minister is silent. The answer is no.

I ask the government not to play politics with this matter. Do not endeavour to deceive the veterans of Canada into thinking that somewhere, some place, some time, the government is going to introduce something that will be even more beneficial to them than VLA. I say, produce it now and let it be seen.

[Mr. Diefenbaker.]

Is it for economic reasons that this legislation is being ended? Again there is a deep silence from the government benches. The government is going to save money from this. Is that the purpose? The government profligately spends the people's money, yet to save a few dollars it is going to take money from the veterans, many of whom are today beginning to realize that they ought to have taken advantage of the Veterans' Land Act. Surely the government will reconsider its decision.

A few days hence we will stand on Parliament Hill and do honour to those who gave their all. A few days in advance of this day of national remembrance and dedication we have before parliament a motion asking for a review of the terminal date of the Veterans' Land Act. But the government sits silent, in expectation of something about to be achieved.

I do not want to go into a lot of detail, but I make an appeal on behalf of those who are asking that this legislation be not set aside until the government has has an opportunity of deciding whether the legislation should be repealed. We talk of justice being done to our veterans, and much has been done in this regard. But just as important as that justice be done is that justice appear to be done.

In this case all I can say is that, as one who has a badge which I treasure above all others—a 50 year active membership badge in the Royal Canadian Legion—I appeal to the government to reconsider. Think for a moment what its action means. I ask it to adjourn this debate until the new legislation is brought in. Do not ask this House to vote for something evanescent, for something promised by a government which, with the greatest respect, has not been noted up until the present time for carrying out its promises, its responsibilities and its undertakings.

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, I consider it a privilege to participate in this debate following the profound remarks of the right hon. member for Prince Albert (Mr. Diefenbaker). I do not expect to emulate his oratorical skill, but I do want to assure hon. members that I am as sincere in what I say as he and others members on this side are regarding this motion.

It is unnecessary for me to detail the events that led up to this debate; that has been done by the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), whose strategy and procedural work in bringing this debate before the House today are recognized by members on all sides of the House. Indeed, we are deeply indebted to them for this opportunity to draw the attention of the minister once again to our absolute opposition to the abandonment of the Veterans' Land Act. Through the procedural work of these members we have obtained at least a one-year delay.

It is interesting to note, Mr. Speaker, that the signatures which were required to move this motion all come from members on this side of the House, and this despite the fact that the hon. member for Winnipeg North Centre endeavoured to interest members of the Veterans Affairs Committee who sit on the other side of the House in affixing their names in order that the matter might

receive full and frank discussion. But this has not been the case and I think it illustrates some partisanship of one kind or another.

Government members of parliament and also the minister hint at some new plan which might supersede the legislation being phased out, Mr. Speaker. But it is only a hint. As the right hon. member for Prince Albert pointed out, the minister is strangely silent when this subject is brought forward. There have been some innuendos on his part and on the part of others, but we have had nothing of a concrete nature.

The first part of the motion asks the minister to review the terminal date of the VLA and to report back to the House in 15 days. We still hope that within that 15 days he will come to his senses and heed what has been said in this debate. If he does, he will wipe out the deadline of March 31, 1975, and while he is at it he will repeal section 3 of the Veterans' Land Act which sets up the October 31, 1968, deadline for qualification.

I am going to repeat what others have said, but being repetitive seems to be the only way that we will get the government to appreciate our strong feelings in this matter. I think repetition also serves to emphasize the validity of our arguments. I think we also want to assist the minister in convincing his colleagues in cabinet and those others who sit on the government side that this is a fit and proper course for him to take.

Attention has been drawn by other hon. members to the fact that we are debating this matter on the eve of Remembrance Day. We have just passed through committee, preparatory to third reading in the House, a bill to amend the War Veterans Allowance Act to give generous increases to veterans. That, I suggest, is a symbolic wreath which we may lay on the cenotaphs of remembrance across this land. But just as surely as that is a symbolic tribute to those who died—and war veterans allowance is a tribute to those who are still living—it must also be a black mark on the Department of Veterans Affairs and on the government if they permit the Veterans' Land Act to go by the boards.

● (1600)

I plead with the minister to reconsider the suggestion to refurbish and update the VLA which has meant so much to so many people and, if he will not, I would urge him to introduce a suitable housing program. If he stood in his place now and indicated that he was about to make this announcement, I would sit down, and I am sure that all hon. members would be silent and await with interest what the minister had to say.

No one can deny the benefits of the VLA which has been in effect for approximately 30 years. We listened to a long discourse in this regard by the hon. member for Toronto-Lakeshore (Mr. Robinson). Many full time farmers have been established on the land, and a great number of others have benefited.

I personally have benefited under this legislation so I can speak from experience about the great work that has been done for veterans in this area. These benefits have been provided to full-time farmers as well as to fishermen, those with small holdings and so on. I do not think I need detail that.

At this point I should pay tribute to the efficiency of members of the Department of Veterans Affairs, and particularly those who have worked under the Veterans' Land Act. I pay tribute to them all for the way in which the act has been administered. I would pay tribute as well to the past and present directors, and to those field men who were of such great assistance to the veterans over the years.

Let me follow somewhat along the line taken by the right hon. gentleman for Prince Albert in trying to analyse the thinking of a government which would contemplate doing what it intends to do in phasing out the Veterans' Land Act. Obviously the minister has been advised in this regard by the officials of his own department. I am sure their opinions are based on statistics only. The point was well made yesterday by the hon. member for Malpeque (Mr. MacLean) that more important than statistics are individual persons whose livelihoods will be affected and whose very opportunity for advancement will be curtailed if we neglect the human factor.

The flow of letters across members' desks from people objecting to the phasing out of this act, and asking if we are in a position to do something to persuade the government to do otherwise, indicates to me the personal nature of this thing and how these people feel about it. Let us not be swayed by statistics.

One argument being used by officials to convince the minister is that administration costs are too high. Let me point out that the staff is already in place and experienced. This is a good group of men who know more about settling people on the land than perhaps any other single group in the country. Surely cost is not a factor. Mortgage money comes from a revolving fund constantly being replenished by the repayment of loans by veterans. Surely cost is not a good reason for these people to take this view.

Some suggest that there are not sufficient numbers of veterans interested in this act. For goodness sake, some 150,000 veterans established eligibility, and 100,000 will be affected if the act is cut off. Let me read what was said by the Director General of the Veterans' Land Act when he appeared just last week before the Standing Committee on Veterans Affairs. I quote from page 2:28 of the proceedings of that committee on October 22:

> Mr. Chairman, we have had approximately 2,000 loan applications for new settlement—

Surely the need is there. The reason for phasing this out cannot be that insufficient numbers of veterans are applying. If there is in fact some element of truth in that suggestion let us consider why there is not a sufficient number of veterans coming forward. To begin with, many veterans were simply unaware of the October, 1968, deadline. They were not members of veterans' groups of any kind, the Legion, the Army, Navy and Air Force Veterans, or what have you. They did not read their magazines and did not see the supplements in the newspaper. I suggest they did not realize the finality of the deadline.

Other people felt their way of life was good and sufficient for the rest of their lives, and there was no reason for them to apply. We have had many letters from individuals, all of which would suggest that conditions have changed. Let me read from one of those letters as follows:

At that time I was employed as the Manager of the Delhi Auction Exchange, owned my own home in Delhi, and if I knew of the deadline, I had no reason to register for a permit. However, as you no doubt know, I have since lost my position (I was never given any reason for the dismissal) and now I am trying something new.

The property in Lynedoch consists of a house and six acres with about 1½ acres of cleared land and in order to make the necessary repairs and purchase some small equipment I may find it necessary to place a small mortgage on the property.

If there is any way you could assist me in obtaining the necessary registration permit, I would appreciate it very much.

I think that indicates what this debate is all about. There are many others who neglected to quality because the amount of the loan was meaningless to them. There is simply not enough money available to be of any use in today's society. I have another letter which bears that out, and this is only an example of many that have come to me and I am sure to others. This letter is from a Mr. Braley of Simcoe, who states:

Most country or city lots cost way over $15,400 so what choice does a vet have to take advantage of this? Would you please ask parliament if they would please consider increasing the amount of loan at reasonable rates of interest so that I and others could be helped?

I made some inquiries of a licensed real estate appraiser in respect of the value of land and houses in my area. He indicated that an unserviced rural building lot costs from $7,000 to $8,000; serviced town building lots cost from $12,000 to $15,500, and that a house and lot in the town of Simcoe cost $39,900, that is for the very cheapest. So you can see how meaningless has become the amount available. Those are the things that officials of the department should be taking into consideration when they suggest that not enough veterans are interested.

The third reason often advanced in support of phasing out the VLA is that the act was not designed for the type of housing required today, but was designed to settle full-time farmers on the land. The argument continues that those who would quality now would be too old to enter this occupation. At this point in time that may well be true, but surely it is not beyond the comprehension of those in the department to change the plan and the conditions.

I well recall my earlier interest in the Standing Committee on Veterans Affairs when I asked a former director general about lot sizes. I suggested that we could change the size that veterans must have to meet the conditions of the various towns and villages, and in reply he suggested that we could not change the rules in the middle of the ball game. The minister now does not want to change the rules, he wants to call the game in the seventh inning when there are 100,000 veterans who could still qualify. It is inconceivable to me that officials would want to kill this program rather than change it, particularly at this time when housing is desperately needed by veterans, many of whom are in the declining years of their lives.

That is the thinking of the department in spite of the statement by the minister on March 31, 1974, when we were debating this matter and he said:

I believe, Mr. Speaker, this extension will provide many veterans with the opportunity to take advantage of a program which was designed for them.

[Mr. Knowles (Norfolk-Haldimand).]

He concluded by stating:

It should be made quite clear that we are not doing this as a favour to veterans but simply as a right which they have earned.

If that is true, and I am sure we all agree, why in the world are we trying to get rid of this thing?

In conclusion I would simply like to summarize what I have been trying to say by listing the essential changes the minister must consider if we are to retain the Veterans' Land Act and make it meaningful and useful to veterans in today's economy. This should be the minister's task in the ensuing 15 days when he makes his decision, or decides—and from what we have heard about this we are skeptical—to introduce a new housing program. The new program, if there is to be one, must be exclusively for veterans. They are a special group. They did a special service for their country and deserve special recognition.

● (1610)

Second, the increase in the loan ceiling in respect of house and lot must be made realistic in light of today's escalating costs.

Third, lot size should conform with lot sizes set forth in provincial and/or municipal regulations and bylaws.

Fourth, the terms of repayment should be as generous as those which now exist in the present act.

Fifth, there should be attractive interest rates, even subsidized if necessary. These are the conditions the minister should note when drafting new legislation or when setting levels which we hope he will do. All these terms are not something the motion gives gratuitously or grudgingly. They belong to the veterans as a right, as the minister has so well said, because they have been justly earned.

Mr. John Gilbert (Broadview): Madam Speaker, the government is not keeping faith with the veterans in Canada. I say that because I cannot believe that the Minister of Veterans Affairs (Mr. MacDonald) has his heart, mind and soul in terminating the Veterans' Land Act on March 31, 1975. I consider him to be a man of compassion and concern. I just cannot believe he would not support this motion put from the opposition.

I appreciate that the minister has lost the war with his cabinet colleagues and the backbenchers in the Liberal Party. He has failed to gain any support whatsoever for the needs of the veterans in Canada. All I can say to the members of the Liberal Party who have spoken is that they have adopted a very cold, callous, calculating and hypocritical attitude toward the veterans of Canada.

Three strange things are happening in this debate. First, we are debating a motion in respect of government legislation moved and seconded by opposition members. It is a credit to the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Humber-St. George's St-Barbe (Mr. Marshall) that they have brought forward this motion at this time to underline the need to extend the legislation. It is the first time in my nine years here when I have seen two opposition members bring forward for debate a motion on government legislation. This is a credit to them.

Second, there has been a change in the position, posture and attitude of government members. There should be compassion and concern with regard to veterans, but I find a total absence of compassion and concern on the part of government members. In fact it would be like looking for water in the Sahara Desert to find this. Back in March of this year government members took a non-partisan attitude with regard to the legislation which extended the Veterans' Land Act from March 31, 1974, to March 31, 1975. I was rather proud of their attitude and their action concerning this matter.

Now, with the exception of the Minister of Veterans Affairs, I have heard no member of the Liberal Party support this motion. All I have heard from them is that opposition members are taking a partisan attitude. There was no partisanship prior to the legislation of March of this year, but now there is partisanship on behalf of the Liberal members. I recall when they were in a minority position how humble they were in respect of this legislation because they knew they could not enter the election without supporting this legislation. But after July 8 they acquired their old arrogance and their miserable attitude toward veterans. One mistake the Canadian voters made was to give a majority to the Liberal Party.

The third strange thing is that I am amazed that the Liberal members are prepared to accept on behalf of the veterans of this country a vague promise of help which is without substance, form or time. I should like to read from the statement of the Minister of Veterans Affairs to underline how gullible the Liberal members can be with regard to this vague promise. He said:

> I expressed the view a moment ago that an urban housing program for veterans who have reached or are approaching retirement from post-war careers is inconsistent with an agriculturally-oriented rehabilitation program which was designed to assist veterans following their discharge from wartime active service.
>
> This is not to say that many low or modest-income veterans do not have needs in respect to housing. On the contrary, it is realized that many do—and that their requirements or preferences are varied in nature. It is in recognition of that awareness, and of the greater relevancy of the provisions of the National Housing Act to those needs, that a study has been undertaken to examine whether special arrangements should be made to assist such veterans.
>
> Because discussions are still in progress, I am not in a position to comment further at this time. I am hopeful, however, that it will be possible for me to do so in the not too distant future.

Mr. Knowles (Winnipeg North Centre): It is not even on the drawing board.

Mr. Gilbert: Madam Speaker, as the hon. member for Winnipeg North Centre said, it is not even on the drawing board. Not only that, but to expect the government, through the Minister of State for Urban Affairs (Mr. Danson), to bring forward a program which will be acceptable and suitable to the veterans is asking too much. Why do I say that? The present Minister of State for Urban Affairs has been in that ministry for five months. What has he done to cure housing problems across this country? We have seen a drop of 25 per cent in housing starts. That will not help the veterans. We have had the highest interest rates that have ever prevailed across the country. He acts like Santa Claus trying to put young people in poverty by offering them $500 to buy a home.

A young person over the weekend asked me if I could imagine a minister attempting to persuade him by saying he would give him $500, and that therefore he could go out and buy a home ranging in price from $50,000 to $60,000 or $70,000, and then pay for it for the rest of his life. If that is not placing young people in poverty and if it is not placing a great strain on their marriages, then I do not know what else is, Mr. Speaker.

The Liberal members would accept the vague promise of the Minister of Veterans Affairs to place this matter in the hands of the Minister of State for Urban Affairs. If there were anything on the drawing board we could examine it, but the minister knows there is not, and yet he says there will be a study concerning whether legislation will be brought forward to help the veteran. I am amazed at the attitude not only of the minister but of all members of the Liberal Party. The veterans of this country are fully aware of what is being done to them. They will rise up with a wrath which would be comparable to that of the great prophet Amos. They will pour forth their thunder and their scorn forever and forever. I am almost preaching.

An hon. Member: Amen!

Mr. Gilbert: What is needed to give the veterans of this country a fair deal? First, we should not even be considering an extension of time with regard to the right of every veteran to establish his entitlement to this special program. There should not have been a qualification time for a certificate set at October 31, 1968, nor should there have been a termination date of March 31, 1974, or of March 31, 1975. If the veterans of this country are to be treated fairly and equitably, there should not be any date whatsoever. They should have the privilege at any time to exercise their rights.

● (1620)

Second, there should be an increase in the limits with regard to the loans. The limitation of $18,000, which has the net effect of a loan of $15,400, is not practical today. What we should be doing is getting the figures that are required for people to purchase homes, and adjusting to the prices of houses.

We should be changing the land requirements because the requirement of a half acre back in the 1940's, 1950's and early 1960's is not appropriate today and, as the last speaker so eloquently said, today that just cannot be obtained.

The fourth point is with regard to interest rates. To charge any veteran more than a 6 per cent interest rate on any loan that he obtains, is really treating him in a very niggardly and miserable fashion. At present the rate is 7 per cent.

I want to point out to you, Madam Speaker, the type of trickery that the Department of Veterans Affairs is perpetrating. This letter came to me back on March 20, 1974. It is from a constituent of mine who says:

> In response to our recent conversations, I enclose herewith a photostatic copy of a form letter requested to be signed in connection with an application for assistance under VLA. At first glance it would seem to be presuming a change in the Act at April 1st whereas, currently, applications must be in by expiry of the Act March 31 to get consideration. Upward revision of interest rates in Part III in my view would be tantamount to killing the Act as there would be little benefit in obtaining such assistance except at rates at least reasonably below

conventional mortgage rates. In addition of course, the outside limit of $18,000 ($2,600 of which is the applicant's) is unrealistic in today's real estate market. Argument that increasing the limits would re-open previous applications is hardly valid in that previous borrowers under the act would have already enjoyed the gains in real estate values.

Then he encloses the form in which they ask veterans to sign a certain statement, part of which I will read. This is what veterans have to sign:

I have been advised that the interest rates of Part III loans is 7 per cent at the present time. It is my understanding that this rate is subject to change on 1st April, 1974. I will continue with my Application for Assistance regardless of any change that might take place in Part III interest rate on my Agreement if my loan should not be processed to the approval stage before the above-mentioned date.

I am aware it is my responsibility to submit a property acceptable to the Director prior to March 31, 1974.

If the property is rejected because of area zoning, drainage, price or other reasons not associated with title difficulties, I realize an Application for another property cannot be accepted after March 31, 1974.

This is the type of procedure and attitude that the department has been perpetrating on veterans. I am totally ashamed of this attitude of the government and more especially of the Liberal members of parliament, with the exception of the Minister of Veterans Affairs. As I said at the outset, I feel sorry that a man who has made such a tremendous commitment to his country, both in service and in loyalty, should have been subjected to a war that he has lost in the cabinet, and should have been unable to persuade the cabinet that the veterans should have the highest priority with regard to some of the programs that exist.

It has been said that civilizations are evaluated according to the way in which society is treated. If that is so, our civilization, or more especially this government, will be regarded as one that has treated veterans in a very shabby and niggardly fashion.

Mr. Gus MacFarlane (Hamilton Mountain): Madam Speaker, I am very pleased to take part in this debate, especially one where I am certain of the sincerity of so many members. I include in that sincerity the hon. member for Winnipeg North Centre (Mr. Knowles), the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), and of course the Minister of Veterans Affairs (Mr. MacDonald).

I rise to say that on this weekend of weekends and this day of days it might be important that we not all speak for the record, merely to place on the record those moments and things that concern us so desperately in the one situation which confronts us.

I for one would like to say that there are people in Canada who ask: who were they? That should be asked clearly. Who were they? Why did they go? What did they do? It is important to say to those people who ask: they were young, they walked with a quick step, their hair blew in the wind, they went laughing, they went strongly, they left their fathers and mothers, their children and their friends.

It is important that people not always see them as they are now in veterans hospitals. It is important that people not always see them as so many crosses row on row. It is important to remember that they did indeed go to end war. They had decided to put an end to war. This was their decision. This was their legacy to us at a time when we required them.

They returned, and the Canadian government of that day did honour to them, did not say they were Sunday soldiers, but said that they did indeed deserve a spot in our country, in our hearts and in our minds for life, for all their lives. This was done in those days.

Having had a father who came from that war with a total disability, I remember the situation which he faced. I remember him facing the depression and the possibility of losing his pension if he went out to earn $1.50 shovelling snow. None of us are apart from this, it does not matter what political colour we are. As the war disappears, we forget. Unfortunately it came again.

● (1630)

An hon. Member: You soon forgot, however.

Mr. MacFarlane: The hon. member would be wise not to refer to me but to bring his mind to bear on those people who were so important to us.

It happened again. I remember when I stood in short pants by a train that was going somewhere with an older brother on it; a year later I rushed to a port to see a sister going away in the navy. Then a younger brother joined them. This is what has happened down through the generations. In the same way we lost the cream of our youth.

I was proud to call these people who served, my comrades, and I was proud that succeeding governments, which served in times when veterans were important, would see to it that they received special consideration.

The day may come when young people may not go to war to end wars. We are not ashamed to say that, and our fathers were not ashamed to say it to us. We did not go like lions and tigers to devour the enemy simply for that purpose. We went to fight for high sounding causes, we were idealists and so were some older men who went with us and fought like younger men to lead us.

Lest anyone make a mistake, it should be understood how we would handle the situation, as it were, from the outside. We would be with our comrades—indeed we are with our comrades and our minister. We have no doubt that veterans receive the kind of treatment that is important. We make decisions justly and honestly, taking into account the seriousness of the situation and our responsibilities.

It is the minister's difficult task to administer the act justly and to bring forward legislation that will benefit the veterans. This we believe he has done and will do. We have no doubts about it, Madam Speaker. At this point it is like freeing someone from an almost unwanted patronage. We believe it is time for those veterans to be recognized openly lest they be thought of as people who have not earned their way in life.

We believe that by doing something different, by removing this kind of giving which is not recognized as being truly a reward, we can make things better in the long run. When pruning a plant one must be careful not to destroy it. We are mindful of our responsibility, Madam Speaker, and will not forget it.

When the scribe writes that last word, that last line, when he puts in that last comma, that last dot, we can rest assured he will say, "They did not forget". We are certain that they, our comrades, would have been much like us, charged with responsibility.

Miss Flora MacDonald (Kingston and the Islands): Madam Speaker, in rising to take part in this debate I wish to commend the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) for having introduced the motion presently before the House, and to associate myself with their eloquent and passionate pleas to the Minister of Veterans Affairs (Mr. MacDonald) to review the terminal date March 31, 1975, of the Veterans' Land Act.

While the injustice of the phasing out of this act has been of concern to many members in this House and while we have tried to impress that concern on an intractable government, I want to express my admiration for the work done by one member of this House in particular—the hon. member for Humber-St. George's-St. Barbe. He has devoted time and effort to keeping this issue in the arena of public awareness. As a result of his article in newspapers across the country, branches of the Canadian Legion, veterans' organizations and members of our armed forces have stepped up their representations to individual members of parliament to reiterate how the phasing out of the act will adversely affect them.

Equally important, Madam Speaker, is the adverse effect that this breach of faith, this breaking of a commitment will have on our system of government. When government, any government, fails to honor its commitments, then the credibility of the whole system suffers. It is ironic to think that those who fought and sacrificed to safeguard and protect our democratic institutions, our system of responsible government, should now be betrayed by it.

I listened to the speeches of the mover and seconder of this motion, Madam Speaker, and I listened with anticipation to the words of the minister to see if he would respond in the same generous humane way as the two hon. members who preceded him. And while I have great respect for the minister for much of the work he is doing, his statement yesterday afternoon came as a great disappointment. His flat refusal even to review the terminal date of the act was surprising and discouraging, particularly in view of his remarks that he was considering another housing program for veterans. If such is the case will the minister not consider an extension of the act at least until such time as the new housing program for veterans is operational?

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Miss MacDonald (Kingston and the Islands): Madam Speaker, we all know that the gestation period for any piece of legislation is uncertain, and there certainly was no indication by the minister that any new housing program for veterans would have a high priority on the government's list of legislation. In fact, we were not even told if the proposed program is yet off the drawing board.

In view of the absence of detail about a new housing and land program for veterans, surely it is not asking too much of the minister to extend the current legislation until something better, something more in line with contemporary costs and needs, can replace it. Is there to be an interregnum between the two programs? And, if so, who is to say who and how many veterans will be reinstated? Are our veterans to be left waiting in limbo while a suitable program—and one might ask, suitable to whom—is developed?

Will it be suited to the costs of housing in various parts of the country? Will it take into consideration the fact that the present $18,000 limit for a lot and a house is a ludicrous figure in this day and age? Will it acknowledge that $18,000 would hardly pay for the lot, let alone the home?

● (1640)

Will it recognize that the present one-half acre stipulation in the act has restrictions both for those wishing to locate on farm land in the country where such acreage is inadequate, and in a suburban area where it is too large? Will it be available to those who were eliminated from the benefits of the current act by the arbitrary imposition of the 1968 deadline governing the issuance of certificates? Will any of these things apply in the proposed new legislation?

The extension of the Veterans' Land Act would allow time to rectify these inequities or to bring in a new housing program, one that could be applied in terms of today's housing market, housing prices and housing construction. It would allow time for many people still in the service, who will retire to parts of the country other than where they are presently located, to work out suitable retirement plans. Even if they could do the improbable and meet the conditions of the present act, why should they rush to purchase a house just to beat the deadline of the March, 1975, expiry date?

At a time when the morale of our armed forces is low, and when that morale has suffered further blows in recent weeks with announcements of restraint and restriction, the situation surely should not be further aggravated by the news that the government will not retreat from its intention to phase out the Veterans' Land Act.

There are many veterans, Madam Speaker, and many active service personnel in Kingston and the Islands, the constituency I represent. Kingston has a history of 300 years of military involvement. Its citizens are serving Canada in many centres in this country and abroad, and those who remain behind are concerned—concerned about what the government proposes to do with this act, and concerned about who is to come within its terms. They want to be certain that those who should be able to avail themselves of the benefits of the act will have the opportunity to do so. But we are speaking of more than money, or terms, or rewards. We are speaking of faith, or breach of it; of trust, or lack of it; of honoring commitments, or breaking them.

On March 12, 1974, as recorded at page 434 of *Hansard*, the Minister of Veterans Affairs, during the debate on the Veterans' Land Act, said:

It has been made abundantly clear on many occasions that the federal government does intend to live up to the commitment it made to those

who went overseas to fight in the defence of freedom... I wish to assure honourable members as well as my comrades across this country that this government intends to continue to live up to its commitments to all veterans.

I remind the House that he was referring to the provisions of the Veterans' Land Act. Yet a mere seven months after that statement the same minister, speaking on the same issue, told the House yesterday that the original purpose of the act has been amply fulfilled.

Earlier today the hon. member for Toronto-Lakeshore (Mr. Robinson) said that this legislation has outlived its usefulness. Surely we do not look at legislation from that point of view. A law does not outlive its usefulness. Law is not static. It is something which lives and breathes and continues to change in a way which reflects the social and economic needs of the day, as this piece of legislation ought to do. It is not enough for the minister to say that the original purpose of this act has been amply fulfilled, and then dismiss it from his mind. This law should be adapted to meet the needs of the day.

What puzzles me, Madam Speaker, and many others, is this: what prompted the government's change in attitude with regard to the Veterans' Land Act in the short space of seven months? Cynics will point to the recent election results, with justification, as the determining factor in changing the government's position. Let me say that the government's approach, its changed position, reminds me of litmus paper. The government was true blue when it was in a minority position, because then it felt pressure and had to react. But now it is true red; it has a majority and seems to think it can do as it pleases.

If the minister is considering proposals to assist our veterans obtain decent housing, as he indicated yesterday, it seems to me that it is even more important for him to accept the motion now before us, which asks him to review the terminal date of the Veterans' Land Act and to make a further statement within the next two weeks on what the government intends to do in this area. Then he could provide more definite information on any proposed new program. He could also give notice to all serving personnel in this country that the government will not break faith with them and that the present act will remain in force until a more equitable, contemporary housing program for veterans can be introduced.

Mr. D. M. Collenette (York East): Madam Speaker, it is with considerable trepidation that I enter this debate. I was flattered when my colleagues asked me to contribute. Many in this House had the honor to serve their country in the armed forces during the war. Others of us were of too tender an age to be eligible for service; but we enjoyed the luxury of being defended by those gallant troops without ever having to don uniforms ourselves. Indeed I was but a wartime twinkle in my father's eye.

I suppose it can be said, rightly, that only those who endured in that struggle can understand the nature and extent of the sacrifice entailed by leaving families and homes, and answering the call to combat in the service of country, particularly in a war which initially was not of our own making. They heeded the summons to defend our allies, which probably made the sacrifice even more acute. With this in mind I take part in this debate. I defer to those who actually saw service, and have always been

[Miss MacDonald (Kingston and the Islands).]

conscious of having grown up free of fear and danger because of the tremendous sacrifice made by those who answered the call.

Although I was born immediately after the end of world war II, I grew up in war torn England and can remember, when I was five and six, my home neighbourhood being ruins, our block of flats being the only one standing. We amused ourselves in those days by playing on bomb sites. I also remember that many of my classmates did not have fathers. I remember every family conversation being laced with references to the war, and many times I heard of the sad loss of members of our family. Actually, eight members perished at one time in an air raid. I mention this only to show that my generation has been made aware of the great sacrifice that our parents and grandparents were forced to make so that we, in my generation, could stand here today.

I was somewhat puzzled by the remarks of the hon. member for Broadview (Mr. Gilbert), who talked about members on my side of the House lacking compassion. Let me tell the hon. member that some of us on this side have vivid memories of what the war was all about, even though we did not fight in it. I trust hon. members will bear this in mind.

Why am I taking part in this debate? Consider the motion before us. It has been presented not long after our eight-day debate on the Speech from the Throne, during which the opposition had any number of opportunities to discuss any subject. Indeed the minister participated in that debate. The question raised by this motion could have been raised at that time, especially as the minister had stated he was studying this matter. Bear in mind, also, Madam Speaker, that the estimates of the department were before the committee of the whole about two weeks ago.

I submit that there is not a member opposite who believes the Minister of Veterans Affairs (Mr. MacDonald) has not been giving this matter serious consideration every day and that he will not continue to do so. Is it seriously contended that the effect of this motion, if passed, will be this: that the minister will begin to review this question? What is the real reason behind this motion? Is it real concern for veterans, a genuine concern for their well-being?

Nobody doubts the sincerity of the hon. member for Winnipeg North Centre (Mr. Knowles), the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), and the right hon. member for Prince Albert (Mr. Diefenbaker), as well as many others on both sides of the House who have spoken on this issue. No one questions the sympathetic views expressed on behalf of our veterans. But, please, do not question the sincerity of members on the government side.

● (1650)

I take extreme exception to the remarks of the hon. member for Esquimalt-Saanich (Mr. Munro) who said this is a further example of how the government rides roughshod over parliament. I believe the opposition is wrong in insisting on flogging this issue to death and misleading the general public.

I do not want to become too partisan, but it is obvious from comments of members opposite that we should have some partisan approach. My reading of the situation, from a vantage point outside parliament in March of this year, was similar to that of Geoffrey Stevens in his article of March 13. We all know that Mr. Stevens is not the greatest friend of the Liberal party, or has not been in the past. Hon. members might like to read that article. The Conservative party at that time was desperately looking for any excuse to provoke an election at any cost. I quote from the article:

The Conservatives found a way to twist the VLA deadline into an insipidly worded non-confidence motion while protesting that defeating the government was the farthest thing from their minds.

The New Democrats found a way to use the non-confidence motion to bring another, and dubious, concession out of the government while protesting that politics was the farthest thing from their innocent minds. I quote:

The veterans of Canada will know, said NDP leader David Lewis . . . that the Conservative party is ready to play politics with their welfare.

That is what we have before us today, genuine sincerity on behalf of some hon. members, and an exercise to save face for the actions of last March by others, playing the veterans of our nation off for political gain. I certainly cannot condone that. Those who protest do so full well in the knowledge that this minister, who is perhaps one of the most distinguished ever to grace this portfolio—

Some hon. Members: Hear, hear!

Mr. Collenette: —and his sincerity cannot be questioned, would not dare to jeopardize the rights of veterans. Not being privy to cabinet decision making, I fully share the faith of my colleague, the hon. member for Mercier (Mr. Boulanger), who stated last evening he was sure the minister would introduce legislation to answer the needs of those few veterans who have not been assisted under the Veterans' Land Act. Perhaps this can be done by a mortgage financing program under the Department of Urban Affairs, or by a program for rural retirement settlement under the Department of Agriculture.

There is no question of the government reneging on the commitment made by former Prime Minister Sir Robert Borden in 1917, which the hon. member for Humber-St. George's-St. Barbe quoted yesterday, and which can be found at page 1069 of yesterday's *Hansard*.

I recently had occasion to be guest speaker at the semi-annual meeting of the Toronto and district Royal Canadian Legion at No. 10 branch which is in my constituency and, I might add, as a non-veteran. I might say at this point that that portion of my constituency, which is known as the borough of East York, was settled primarily by veterans and their families after both world wars. I can safely say that the constituency of York East probably has one of the largest concentrations of veterans in the country. By coincidence, I might state that I am very happy that the mayor of East York, His Worship Willis Blair, is here today to hear my remarks.

At that meeting I spoke on benefits in general that had been available to veterans under programs established by the Department of Veterans Affairs. A significant portion of my speech dealt with the question of the Veterans' Land Act. I would like to read from that. I quote:

The Veterans' Land Act was designed to assist veterans to pick up the threads of civilian life following discharge from active wartime service by settling on the land as full or part-time farmers, or in association with their occupation of commercial fishing. It was realized that not all veterans would be interested in or find that the provisions of the act best suited their post-war needs and plans. As a result, two other post-war rehabilitation programs were developed, university training and re-establishment credits, with benefits under all three measures being alternative to each other.

Having regard for the purpose of the legislation, the lengthy period which had already elapsed since the end of world war II, and for the fact the university training program had been completed in the mid-fifties, in 1959 parliament approved amendments which established September 30, 1962, as the terminal date for veterans to use re-establishment credit benefits or to become qualified under the Veterans' Land Act. In 1962, this deadline was extended to October 31, 1968.

For the same reasons, in 1965 parliament enacted further amendments which established terminal dates for phasing out VLA lending operations in an orderly and reasonable manner. These legislative changes specified March 31, 1974, as the final date for qualified veterans to apply for settlement under the act and March 31, 1977, as the deadline for veterans with subsisting VLA contracts to apply for additional loans. Last spring, the March 31, 1974 deadline was extended one year.

We all know the reason for that. The opposition, for their own political gain, forced the government to extend this an additional year.

As I have noted, the Veterans' Land Act was designed as a land settlement program to assist veterans following discharge from active wartime service as distinct from being an urban housing measure for use following retirement from post-war occupations or careers. In the circumstances, and bearing in mind that the other two alternative programs were concluded quite some time ago, it is difficult to believe that veterans genuinely interested in VLA assistance have not had an adequate opportunity to do so in the period of almost 30 years which has elapsed since the end of World War II.

At the luncheon break I discussed this matter and the impending probability that the VLA would be terminated in March of next year, and there were no objections from any of the members with whom I spoke. In fact an office holder of the Legion said that it was quite understandable that the government should want to phase out this program at this time, and that he knew most veterans were more than satisfied with the efforts of successive Canadian governments over the years to ameliorate their lives.

Indeed, the only time when this topic arose in the general election campaign was at all-candidates meetings via planted questions by my Tory opponent. That is how the people in York East felt about it once it was properly explained. I think the minister has done a very good job of explaining it.

What then is the nature of the problem today? The nature of the problem is that in spite of understanding the nature of veterans benefits legislation and recognizing its merits, and also recognizing the wisdom of endeavouring at one point in our history to close the books on the benefits to world war II veterans, we have arrived at a stage today where, perhaps in isolated instances, there may be hardships to veterans.

Is it not understandable that a law which was properly conceived, debated and enacted, containing a deadline which was properly advertised and under which every veteran was given a proper opportunity to qualify, may yet, despite every precaution, cause some veterans to regret today the fact they did not apply for certificates of qualification? There are others, of course, who did apply who find themselves in a position where they cannot make

application by March 31, 1975, for a specific piece of property, which is what the deadline requires.

We are dealing with a small number of people and, indeed, a different kind of situation from that of the hardship which might exist under a piece of social legislation. If there is any hardship at all to the veteran, and any way to counteract it to help those veterans who served this country, by somehow reviewing the expiry date of this act or simply through straight-forward generosity under a new piece of legislation, I am sure every member on both sides of this House would want to see to it that this is done.

I entered this debate to say that if circumstances come to light which indicate that a single veteran has been aggrieved, even though that may be the result of his own actions, we have to recognize that we can never adequately repay him. If there is any way that the cabinet can be persuaded at any time to extend to that veteran some privilege, whether by new legislation or by interpretation of old legislation, this is something we must always do. Therefore I oppose the motion.

● (1700)

Mr. Walter Baker (Grenville-Carleton): Madam Speaker, I am sorry to have to follow the remarks that the hon. member for York East (Mr. Collenette) used in opening his speech, which was an attempt to impute improper motives to the members of this House when they were considering this very important matter shortly before Remembrance Day a year ago. I think that if the hon. member reads *Hansard* he is going to regret having made those opening remarks regarding this very important matter. He may justify his stand if he wants to, and I may disagree with his stand if I want to; but he ought not to try to justify his stand by retreating into the worst kind of partisanship that we have seen during the course of this debate.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): He ought not to accuse any member on this side of saying to the minister that he lacks compassion. We have never said that. But what we have said is that we are worried about the company in which this compassionate minister finds himself so far as this legislation is concerned. We do not doubt for a moment that the minister, as the hon. member for York East has said, considers this matter every day and that he is concerned about it every day. What we are concerned about is that his colleagues are not equally concerned about the position of veterans every day.

I now turn to the remarks of my hon. friend, the member for Toronto Lakeshore (Mr. Robinson). I use the expression "my hon. friend" with some justification since he is a man I knew for many years before I came to this House. His contribution to this debate has been to read into *Hansard* a brochure on veterans' legislation, all of which is well known to the beneficiaries of veterans' legislation. He might better have read into *Hansard* the act and regulations. He took us on an Alice in Wonderland tour of the statute. Surely he did not do this for nothing. In taking us through the act he must have meant that it was a good piece of legislation. Then having said that by implication, he announced to the House that he was going to vote against this motion, while two sentences before he had said he thought VLA was a great piece of legislation.

The minister and others in the House have implied that a study is being undertaken of other legislation. I ask the minister, as others have asked, where is this legislation? What is the timetable for the completion of this study? When is the bill going to be brought forward? If the minister says it will be introduced within a short period of time, then I would call on that compassionate man to call off his dogs and let this matter stand while the House examines that legislation. There is not one member in this House who does not have concern for the veteran. But what I am concerned about is the way this whole matter had degenerated.

I share the concern of many members of the House that these studies, if they exist at all, are only at the beginning stage. Perhaps the government does not really know what it intends to do. This piece of legislation will be off the statute books for a long time before any other legislation is made available. If this is the case—and it has not been denied—then I respectfully suggest that the deadline be removed and the statute amended so that in no way is any veteran deprived of the benefits of the legislation. More than that, I suggest the statute be amended so it is in tune with the current situation in urban communities.

I have heard the members of the House discuss the issue of partisanship. We have not approached this matter with any partishanship, and quite frankly we do not like being accused of partisanship. I remind every member of the House that when this matter last came before us as a result of the hard work of the hon. member for Humber-St. George's-Barbe (Mr. Marshall) and the hon. member for Winnipeg North Centre (Mr. Knowles), it was brought forward under Standing Order 43 and received the unanimous consent of the House. That includes the consent of the minister, the Prime Minister (Mr. Trudeau) and the hon. member for Sarnia-Lambton (Mr. Cullen). There was no question of partisanship at that time.

What has happened to that unanimity? Where are these other members of the Liberal party? I would be cynical if I suggested the reason is majority government.

I want to say something to those members of the House who, in a few moments, are going to stand up and vote against this motion. I want them to remember the last Remembrance Day and how proud they all were to leave this House and, on that sacred day, visit Royal Canadian Legion branches and cenotaphs all across this land and proudly lay a wreath presented by the government in memory of those who served their country in war. Madam Speaker, I will lay you dollars to doughnuts that when all of the members left that solemn ceremony and went back to the Legion branch for good fellowship, they told their friends in the Legion how they had given unanimous consent to the resolution moved last year just a few days before Remembrance Day.

In a few days' time the members of this House, including the hon. member for Hamilton Mountain (Mr. MacFarlane), the hon. member for Toronto Lakeshore and the hon. member for York East, are going to go out of this place and lay those self-same style wreaths, and I should like to see them look those survivors in the eye and tell

them that they voted against this statute which was meant to benefit our veterans.

I conclude on this note. I listened with great interest to the eloquence of the hon. member for Hamilton Mountain. If he reads his speech, he is going to find that he dug a little hole for himself. He is going to find he said that retired veterans were second class citizens because of this legislation, and that the government was attempting to uplift them by taking their benefits away.

In the course of his eloquence he had this to say: "The veterans of this country are in the hearts and the minds of all of us". And they are. What we ask of the government today is that the veterans be in the legislation that is approved by this House. I ask those who choose to vote against this motion, which many of us were very proud to sign in anticipation of the day of remembrance, to remember what I can only term the hypocrisy of the position that they are taking.

Mr. Jack Cullen (Parliamentary Secretary to the Minister of Finance): Madam Speaker, I am going to vote against this motion, and I say so at once so no questions will have to be asked across the floor. When I hear hon. members opposite talking, I wonder whether they are talking about the same veterans I am talking about, namely, those who served in the first and second world wars. Why should we be ashamed of ourselves for the kind of assistance we have given our veterans?

● (1710)

Rather than listen to hon. members opposite I think it would be more appropriate to listen to what the president and two vice presidents of the Canadian Legion said on a local CBC television program entitled "Platform". They were asked how veterans were being treated, and they said they had been treated extremely well. They said they felt that the veterans of this country had been treated better than the veterans of any other country which was involved in the first or second world wars.

Mr. Lambert (Edmonton West): The government is still leaving some of them out.

Mr. Cullen: Does the hon. member want to listen or does he want to shout? I am prepared to sit down while he shouts, after which I will get on my feet and speak.

Mr. Lambert (Edmonton West): I will speak after you so that we can hear what you have to say.

Mr. Cullen: I have a little bit to say and I take second place to no one, including those veterans in the House, of whom I am not one. Certainly as a member of the Veterans Affairs Committee, and as a past vice chairman and chairman of that committee, I begin to wonder when I hear members opposite suggest that we have been arrogant because we now have a majority. Surprisingly enough, from 1966 to 1972 when we had a majority and when we were considering this legislation, representatives of the Canadian Legion said this was the best veterans' legislation they had seen in 50 years. They said that then, and they are saying it now about veterans' legislation.

An hon. Member: What about the Veterans' Land Act?

Mr. Cullen: The reason the opposition parties want to keep this piece of legislation in existence is that they have not been able to come up with any new ideas.

Some hon. Members: Oh, oh!

Mr. Cullen: The hon. member for York East (Mr. Collenette) has indicated what the veterans feel about this particular piece of legislation, and we all heard the hon. member for Grenville-Carleton (Mr. Baker) talk about what happens when we all go back to our local legions. The thing I thought significant was that I found myself apologizing for the members of the opposition party, and I did so in view of what members of the Legion in my local branch were saying. They asked me why those fellows were playing politics. They were saying that this was a shameful thing to do in a minority parliament. I indicated to those veterans that members of the opposition were not playing politics, but were sincere in their belief that this piece of legislation should be extended. That is the kind of non-partisanship all hon. members of this House should bring to debates on veterans affairs.

I did not hesitate at the time to indicate that I quite frankly did not agree with extending it, as I felt the act had served its purpose. I was not ashamed to say that then, and I am not ashamed to say it now. I will not be ashamed to say it when I go back to my riding to attend a dinner on November 11.

I think this piece of legislation has been used to do a good job. We have all heard what has been done, as recited by the hon. member for Toronto-Lakeshore (Mr. Robinson). Perhaps hon. members opposite have to be reminded that surely there comes a time to look at new and different ways to help the veterans rather than the same old ways. This bill has outlived its usefulness and we have to move on to something new.

I was quite frankly surprised by the right hon. member for Prince Albert (Mr. Diefenbaker) when he looked over at the Minister of Veterans Affairs (Mr. MacDonald) and indicated that the reasons he was not going along with this motion were economic. That right hon. member should know better, and knowing better I do not think he should have made that kind of ridiculous suggestion.

There are new areas of assistance to veterans that we must consider. We must consider the ages of these veterans at the present time. One suggestion that has been made, and I think it is incumbent upon me as a member of parliament to repeat it, is that we should start giving old age pensions to veterans at age 60. Many of our citizens gave up their lives during wartime, and many others gave up five or six years of their lives away from their wives, families, their brothers and sisters, and perhaps this is one way we can show our appreciation. We can never compensate them for that sacrifice, but perhaps this is one way we can help them, by lowering the eligibility age for old age pensions to 60 for veterans. That may be a start in the right direction.

The minister has suggested that there will be some arrangement made in respect of retirement. I do not know what he has in mind, but perhaps there will be some form of compensation in the way of rentals or municipal tax payments. In any event, I think we have to look at new ways to assist the veterans. These are not young people

who have just come back from a war and are endeavouring to re-establish in civilian life. We have a different kind of veteran today. Our veterans today are looking to retirement, and their needs and wants are different. Surely we have to come up with new ideas rather than continually extending old acts that have long since served their purpose.

I have no hesitation whatsoever in voting against this particular motion. Nor will I be ashamed to go back to the veterans in my riding and indicate to them, as I am doing publicly here in this House, that I am against this motion because the act has done the job it was set up to do. Let us now get on with some new legislation. For the reasons I have stated I am voting against this particular motion, Mr. Speaker.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, like the hon. member for Grenville-Carleton (Mr. Baker) I was somewhat astounded when the younger member for York East (Mr. Collenette), possibly not knowing what went on in this House last session, drew his own conclusions to support purely partisan arguments. He obviously does not know the contents of my file on this subject, which I might add goes back as far as two of the minister's predecessors, that is, prior to the expiry date of 1968.

Contrary to what the hon. member for Sarnia-Lambton (Mr. Cullen) suggests, I have a whole raft of letters from veterans who will be cut off by the phasing out of the Veterans' Land Act at this time. I think it is pure politics on the part of hon. members to suggest that because we want to see this extension we are, in some way, denying the validity or the worth of the legislation in the past. This is an argument bereft of any strength and is made merely to take up time and to confuse the issue. I invite any hon. member who has a large serving garrison in his riding, as I have in Edmonton, to counter that statement.

Let me remind hon. members of the many thousands of veterans who, instead of opting for a civilian life back in 1946 and 1947, stayed in our armed forces. Many others perhaps rejoined in 1952 because of the Korean conflict. These men also have an entitlement.

There is one point I do not seem to have been able to get across to the minister, his predecessor or the hon. member for Sarnia-Lambton. Regardless of what these veterans decided to do at the end of the last war, there is nothing we in this House should do to deny them the rights they earned through service to their country in time of war. Should a right be denied them because they decided to remain in the armed services?

Hon. members should keep in mind that the last 10 years of service in the armed forces must be taken into consideration in any decision by a veteran to settle in this place or in that place because of the various requirements of the act. Under the Veterans' Land Act a veteran must be present during the construction of a Veterans Land Act house. Sometimes I think the officials of the CMHC and the officials of the VLA work at cross-purposes.

I know that officials of the Department of National Defence have expressed a great deal of concern about the difficulties servicemen are having in trying to fit into VLA programs at this time. This concern was caused by the 1968 abridgement and by the refusal to grant an extension beyond 1974. Now again it is caused by this government through the person of its minister slamming the door on this type of legislation which is in fact housing legislation.

● (1720)

Somehow or other there is an insistence that this is some sort of agricultural settlement. Within the city limits of any major city we have had VLA settlements. They were not any agricultural settlements by any stretch of the imagination. The requirements have been reduced over a period of time. In the case of a disabled veteran, depending upon his disability, the size of a lot could be reduced even more. It is nonsense to suggest that this is agricultural legislation. The problem is housing.

I might bring the minister back to the situation after the war, because some of the other members might not be aware of it. At that time thousands of veterans coming back were seeking housing. I remember reading in the newspapers at that time the ads of people who were looking for an apartment or any type of housing in the city of Edmonton.

At that time housing was provided through the university, through the city and the province, in veterans' quarters. That was one type of housing. There was another type of housing assistance known as wartime housing, with the financial arrangement that that involved, and there was the VLA.

Somebody hit on the idea that some of the men might not like to settle in the big cities but would prefer to settle in some of the smaller towns where they could perhaps have a small holding on the side. This was an idea that was current at that time. It was popular with many men. However, the main purpose was to house veterans rather than to make small-time farmers of them. The purpose was to provide housing when there was a shortage of housing.

What have we today? We have a shortage of housing. When our servicemen come out on retirement pensions, regardless of their rank, we tell them they have rights under the VLA. We tell them there is a maximum mortgage under Parts I and II of $18,000. One does not have to go to the centre of Toronto or Ottawa to see what the price is for a three-bedroom house. All one need do is go to St. Albert outside the city of Edmonton, within a few miles of the Canadian forces base. One will find that there it is necessary to make a down payment of $20,000. It is ridiculous to think that a retiring serviceman would have that kind of money to put down on a house.

The government must accept the responsibility for inflation. If there is a point where inflation hits doubly, it is right here. I have received letters in which the men tell me that they have found homes but the cost is out of their reach. I have the letters here if anyone wishes to see them. I could read them into the record. I could also read, particularly for the benefit of the hon. member for Sarnia-Lambton, the comments of the President of the Canadian Corps Association on this point. For the benefit of some hon. members I believe I should place this on the record. The letter is addressed to the minister and is dated January 28, 1974. It states:

We would like to make some comments concerning your stand in support of the decision to phase out the Veterans' Land Act as of March 31, 1974. As you are well aware, all the veterans' organizations in Canada are opposed to a deadline, or any other form of limitation being applied to a veteran's eligibility for benefits under the Veterans' Land Act.

We refer specifically to the statements you made in the House of Commons on November 6, 1973 in answer to the address given by Mr. Jack Marshall, M.P. In your answer to Mr. Marshall you alleged that some veterans were attempting to take advantage of more than one of the three forms of rehabilitation which they were entitled to after honourable discharge from the Armed Forces at the end of World War II. We would like to point out here that there were many veterans who were not aware of the Veterans' Land Act or the university training program until after they had used up all their re-establishment credits. And, of course, they had to refund their re-establishment credits before they could become eligible for Veterans' Land Act benefits. So they were not trying to take advantage of two forms of rehabilitation, they were merely changing one for the other after they had learned of the existence of Veterans' Land Act.

I can say that here is one who, at that time after the war, was not aware of the Veterans' Land Act. I was a city boy. I attended university. It was only after I had been in university for some time that I became aware of this program, not that I would have availed myself of it but I heard of it only at that time. I recall this very graphically. The letter further states:

There is another point that has not been brought out recently as far as we know and that is the scarcity of housing that existed immediately following the end of World War II. This is why many veterans were unable to find suitable properties which could be financed through the Veterans Land Act at that time. Veterans and their families were forced to rent two or three rooms in someone else's house, or buy a place they did not want just to have a place to live. And then, when the housing shortage started to ease, the prices went up to the point where the monies available under the Veterans' Land Act were inadequate to meet the inflationary costs.

I wonder whether anybody remembers the inflation of 1952-53. There was an increase of 13 points in one year. At that time it was necessary to make changes in the Veterans' Land Act to increase the mortgage ceiling and the valuation of property. This is not the first time a government under Liberal leadership has seen galloping inflation and has had to react to it, but perhaps the reaction was a little more prompt in those days than it is now. The letter continues:

And this is why they were unable to take advantage of the Veterans' Land Act later on. So you can see that the veteran was caught in a giant squeeze-play, first from the one side by the housing shortage, and then from the other side by rising costs, and then the game is called in the third quarter because the timekeeper wants to go home early. The solution to this problem is to keep the Veterans' Land Act in operation and to bring it up to date with changing conditions and rising costs.

Perhaps I might interpolate here that that is precisely what the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), the hon. member for Winnipeg North Centre (Mr. Knowles), myself and many others in this House have tried to impress upon the ministry. That is the purpose of this motion. I realize there are others of my colleagues in this House who wish to speak, and therefore I shall end my remarks briefly after quoting further from this letter:

You stated that many qualified veterans still serving in the Armed Forces are already established under the Act and that others are in the process of doing so. You say 'many', not 'all,'. How about the remainder, and what percent of the total do they constitute? How can a man stationed in West Germany or the Middle East go about finding suitable property in Alberta or Ontario?

I will ask the minister that question. He failed to answer it. When I finish my speech he can answer. How can a man who has given notice, who is presently posted away from Canada, as many men are, make a selection of property, and how can he complete the necessary documents in order to meet the deadlines and the tables laid down in the act? The minister can give the answer. Hopefully there is one.

Mr. MacDonald (Cardigan): Sure there is.

Mr. Lambert (Edmonton West): I continue reading from the letter:

You say that you are satisfied that the vast majority of veterans who hold Veterans' Land Act qualification certificates simply took the precaution of obtaining such a certificate before the deadline of October 31, 1968. This is just like the precaution they took in 1914, and again in 1939, to ensure that no enemy soldier set foot on Canadian soil, except as a prisoner of war. However, they were not so cautious with their own personal safety a lot of the time.

● (1730)

Finally, in connection with the investment of $1.25 billion of public funds, there has been a great deal of money made in interest, and the value of this investment must have at least tripled by this time. With the interest rates as they are now, and the properties as security, what better way is there to invest public funds? We believe that the public would be well satisfied to know that their money is invested in this way.

I should like to underline Mr. Heesaker's remarks. This country invested millions and millions of dollars in the free education of its veterans. How did this pay in dividends? This brought uncounted hundreds and hundreds of per cent in profit to the nation. It invested millions and millions of dollars in veterans' housing, farms and so forth. This was paid back. We are not asking the minister to provide any more money in grants. This is not to be a government expenditure. This is to advance more moneys for mortgages which are to be repaid. We ask for more faith in the remainder of veterans who would be entitled to benefits under the VLA.

The letter goes on to read:

In view of the above facts, we believe that a veteran should be eligible for benefits under the Veterans' Land Act until the day he dies. He offered his life in a time of crisis and this is little enough to give him in return and at the same time you are investing public money in a very profitable venture.

On many occasions I have put my views on record on this, and all I can say is that yesterday I told the minister in connection with Bill C-4 that, although it contained many good things, I was bitterly disappointed at what it failed to contain, and doubly more disappointed at the reason why. This was done for fiscal reasons, not administrative reasons. Hell's bells, this government wastes more money in one day than it would cost for a whole year to carry out the program that we call for in Bill C-4.

I am bitterly disappointed that this minister—and he is a veteran entitled to the respect of every member of the House—has had to disclose to the House and to the veterans of Canada, who would be entitled to benefits under VLA, that this administration has closed the door. I think this is a crying shame.

Mr. Robert McCleave (Halifax-East Hants): Sir, although this is my first speech in the thirtieth parliament

of Canada I hope I will be allowed to reserve the amenities and courtesies on the selection of our presiding officers to a later date, perhaps the budget debate. But I would not like the opportunity to go by without saying that your selection as Deputy Speaker was a personal joy to me.

Some hon. Members: Hear, hear!

Mr. McCleave: Now, because others wish to take part in the debate and the hour goes apace, I should like to make a plea, as short and simple as I possibly can, from a member who is a non veteran to a minister who is a veteran. I say to the Minister of Veterans Affairs (Mr. MacDonald) that there is no way in which the people of Canada can thank him enough for what he himself personally underwent on behalf of this country. There is no amount of money that can ever compensate him for what happened to him, and there is no way in which Canadians can sufficiently express their gratitude, although we have tried in a humble way with various programs in the Department of Veterans Affairs.

However, I must say that I think he was wrong when he said at the veterans' meeting in St. John's, Newfoundland, that the time had now come to put the veterans' problems in the same category as the problems of the older members of our population. I think that was wrong, because we make exceptions almost every day in our treatment of distinctive segments of the Canadian population. For example, a few days ago there was a considerable feeling, among members of the House at least, as to whether the Indian housing problem was being properly tackled. And so the story goes, but I will not take time to list other examples. Obviously we are a House which is capable of drawing generalizations, but also capable of making exceptions to those generalities.

My sole point in rising at this time is to say that I think most Canadians have no objection to continuing every veterans' program to the last veteran who is left in Canada, expensive though that program may be, because it is a distinctive way in which we can say thank you to people who have allowed Canada to be what it is today.

Mr. MacDonald (Cardigan): Mr. Speaker, I wish to rise on a question of privilege. I want to answer the hon. member opposite. He asked me if I was claiming, with regard to a person who wanted to establish in Alberta and who had served in Germany—

Mr. Deputy Speaker: I regret to interrupt the minister but I must point out that to allow the minister to speak at this time would be to give him the floor a third time. This can only be done with the unanimous consent of the House. Are hon. members ready to allow the minister to answer the question, with the knowledge that there are other members who wish to speak?

Mr. Marshall: I myself would certainly be willing, Mr. Speaking, but there are members here who have been waiting to speak for some time and they should be granted an opportunity to do so.

Mr. Deputy Speaker: The Chair cannot guarantee any time before six o'clock.

[Mr. McCleave.]

Mr. Baker (Grenville-Carleton): I think that in the circumstances we cannot give our consent at this point. But we do not want it to be construed as refusing the minister an opportunity to answer the question put to him. However, in the circumstances we cannot give him our consent at this time because of the rules.

Mr. Deputy Speaker: May I suggest that if there is a minute left before six o'clock, we could come back to the question.

Some hon. Members: Agreed.

Mr. John A. Fraser (Vancouver South): Mr. Speaker, having listened to this debate I realize that there is a point that some of my friends on the government side have missed. Many of them have said, and have freely acknowledged, that there are still many problems that veterans are facing who did not obtain certification in 1968 and for whom, for a number of reasons, it is impractical now, in the remaining months of existence of the Veterans' Land Act, to make application. That has been freely admitted by a number of government speakers, but they have all said that they recognize this, and of course in time and on a proper occasion they will consider doing something about it.

● (1740)

The hon. member for York East (Mr. Collenette) ended his speech with what can be termed the pious hope that his government would, of course, if there was a single injustice give it appropriate consideration at the appropriate time and, I suppose, do something appropriate. What the government is asking us to accept is the elimination of a bill that gives rights to veterans which the minister admitted they have, Mr. Speaker. It was not too long ago in this House that he said, as recorded at page 948 of *Hansard*:

> It should be made quite clear that we are not doing this as a favour to veterans but simply as a right which they have earned.

That right has been accepted by the government. That principle has been accepted, yet hon. members on the government side have said it will be done away with because it has outlived its usefulness. But they have not said what they are going to put in its place. I repeat that, Mr. Speaker. Not a single member on the government side in this debate has indicated what the government intends to do to secure those rights that it has admitted do exist. That is the weakness in their position. It is more than a weakness; it is a glaring defect in the logic of their utterances.

I am not going to get into the question of whose motives are sound and whose are right. I did not enter this debate to quibble over the sincerity of hon. members in the matter, and I would hope that some of those who have quibbled about it will not quibble about sincerity of motivation the next time they debate in the House. The reaction of hon. members this afternoon has been quite evident.

It has been suggested that we are in this situation today because the government was forced into legislation which gave the right to 25 members, upon petition, to have a matter reviewed. It has been said that the Veterans' Land

Act should be reviewed because it has no further purpose. I should like to remind some of my friends on the government side of the wording of the motion of November 9, 1973. My hon. friend from York East was not here then, but this motion obtained unanimous consent in this House and it was his colleagues, sitting in the House on that day, who approved it. The motion reads:

> That this House requests that the Minister of Veterans Affairs give urgent consideration to the amending of the Veterans' Land Act regulations to permit veterans to acquire small holdings, even if the main purpose of most of the older veterans now applying for loans under the Veterans' Land Act is to meet their housing requirements, it being the view of this House that entitlement to a piece of this land ought to be the right of any veteran.

That is the issue, Mr. Speaker. That is what the government agreed to last November 9. That is why this motion is before the House today, and none of what they agreed to then has come about.

It is not enough to come in front of this House and say, "We have decided, despite what we agreed to a year ago, that we are not going to amend that legislation. We are going to do nothing to secure those rights. We are not going to continue the legislation and make amendments which would put into effect the principle to which we agreed on November 9, 1973. We are going to eliminate it; take it right out of the legislation."

But that is what the government is doing, and it is doing it without offering us any commitment that something will be placed before us in substitution. I say that with all sincerity, Mr. Speaker, and I ask every one of my friends on the government side to ask themselves quietly in their own consciences if they believe that something will be brought in as a substitute, and what commitments they have that this will be done. I have the answer already, of course. The answer is that they do not have a clue whether they are going to do anything or not.

I ask one other commitment from hon. members on the government side. After they defeat this motion today, after they have wiped out this legislation which their minister admits secures the rights of veterans, will they search their consciences and go to work to make sure that very soon substitute legislation is put before the House so that the rights, which the government agreed to a year ago, will be reasserted at the earliest possible time?

Mr. Baker (Grenville-Carleton): Mr. Speaker, a few moments ago—

Mr. Deputy Speaker: Order, please. I think I was just about to bring up the same point because no other member seems to be standing to participate in the debate. The hon. member for Winnipeg North Centre (Mr. Knowles) under Standing Order 37(2) has right of reply, having moved a substantive motion. I wonder if we could come to an agreement to allow the hon. minister, in a short speech with allotted time, to answer the question that was asked?

Mr. Baker (Grenville-Carleton): Mr. Speaker, that question was asked by the hon. member for Edmonton West (Mr. Lambert) and I rose to say that we would consent. I have spoken to the minister about that.

Mr. Deputy Speaker: Is it agreed that we will allow the minister to give a short answer to the question asked by the hon. member for Edmonton West?

Some hon. Members: Agreed.

Mr. MacDonald (Cardigan): Mr. Speaker, the hon. member asked me if I could explain how a veteran serving in Germany could select a piece of property on which he could become established, and I told him I could explain. A year and a half ago regulations were passed, approved and accepted to the effect that a soldier serving in a foreign land could select an agent to do this. That is how it is done and that is how it has been done. A number of veterans have thanked me for this.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have had a good many experiences in my years in this House but I think this is the first time that I ever had the privilege of concluding a debate that I started.

In connection with this two day debate which was provided for in a statute that was passed in March, I want to say how much I appreciate that speeches made by all members but I have to say that in particular I appreciate the speeches of those who have supported this motion.

● (1750)

I am still conscious of the events of the last session of parliament. Because of that I am surprised that there are those on the other side who have spoken as though we should not have brought this motion before the House of Commons. Not only was there complete unanimity on November 9, 1973, to the motion put in my name and seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), which was again read a few moments ago; there was, also, on March 28, 1974, unanimous approval for the amendment to the bill we had before us that day, which provided for this debate to take place. Indeed, the Minister of Veterans Affairs (Mr. MacDonald) in speaking to that amendment said, on behalf of the government, that the proposal was welcome.

In other words, last March this House, at the very time it was extending the Veterans' Land Act for another year, said that we would welcome the opportunity some time after September 30 to debate the matter again. That is what we have been doing. We have been carrying out in the past two days the will of the House, as expressed by the House of Commons last March.

Because I have the right of reply, I am allowed to speak until the last minute. But it is not necessary for me to do so. Rather, I should like to speak for just a few minutes, and in doing so to deal not with the unimportant things which have been said by members on the other side, but to deal with what those on the government side seem to regard as their strongest argument.

Liberal after Liberal has said that it is time for something better, and that they are going to oppose this motion, that they are going to oppose the continuation of the Veterans' Land Act beyond March 31, 1975, because veterans should have something better with respect to housing. That would be a good argument if there were anything to it. But, Mr. Speaker, the Minister of Veterans Affairs was

very clear yesterday. All he was able to say is this: The matter is being studied.

There was no suggestion that any legislation is being drafted. We have been given no assurance by the Minister of State for Urban Affairs (Mr. Danson) that his department is dealing with the matter. So, we are being asked to let the Veterans' Land Act, a piece of legislation that deals with housing for veterans, die on March 31, 1975, with no assurance that there will be anything to take its place on April 1, 1975—indeed, there is no real assurance that there will ever be anything to take its place.

How my friends opposite could have fallen for that argument is, to me, a mystery. Some of them are new members and they do not know that the government can make promises but not come through with them. Member after member on the other side has said, "We are going to vote against the motion, against the proposal to continue the Veterans' Land Act, because we are in favour of something better." But where is that "something better"?

I join with those who have expressed belief in the minister's complete sincerity and concern for veterans. I say to them, and I say to the minister, that if it is true that there is to be veterans housing legislation, that is all the more reason to let this legislation stay on the books until that time comes. That would show that the government means business. We fear that if this legislation is allowed to drop, then in the weeks and months ahead, when the hon. member for Humber-St. George's-St. Barbe and I, as well as others, stand up and ask where is that veterans housing legislation, the answer at first will be that it is being considered, it is under study; then, after a while, the Minister of State for Urban Affairs will stand up and say, "Well, the veterans have available to them the government's general housing legislation."

I predict that this could well happen, and the idea in the mind of the Minister of Veterans Affairs might never come to pass. Therefore I say, Mr. Speaker, that without any guarantee that we are to see such veterans housing legislation soon, or ever, it would be utterly irresponsible for this House to let the Veterans' Land Act die.

I must sit down, Sir, before you call it six o'clock. The clock is going faster than I thought. I know that the government has stated its position, and I know that Liberal after Liberal has said he will vote against the motion. But, Sir, in that 15 minutes between the putting of the motion and the vote, during that time when the bells are ringing for 15 minutes, or however long they may ring, there will be time for the government to rethink its position.

What will the position be if the government decides to let this motion pass? It will not actually extend the Veterans' Land Act. The motion calls on the minister to come back to the House within 15 sitting days and tell us of the result of another review. In effect, that is all. This motion, if passed, will simply guarantee another review, another statement by the minister within 15 sitting days. The issue will remain open. But a defeat of this motion is, in effect, a statement that the Veterans' Land Act is going to die on March 31, 1975. I do not think the House of Commons should say this at this time, just a few days before Remembrance Day.

Some hon. Members: Hear, hear!

[Mr. Knowles (Winnipeg North Centre).]

Mr. Knowles (Winnipeg North Centre): I thank all those who have participated in this debate. Each has expressed his views. I hope that we will now, by our vote, show where we stand with respect to the rights of our veterans.

Mr. Deputy Speaker: Order, please. Debate on the motion being terminated at this time, it is my duty to put forthwith the question necessary to dispose of the motion, pursuant to the special order adopted previously. Is it the pleasure of the House to adopt the motion?

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

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Knowles, Winnipeg North Centre), which was negatived on the following division:

(*Division No. 5*)

YEAS

Messrs.

Alexander
Allard
Baker (Grenville-Carleton)
Baldwin
Balfour
Bawden
Beatty
Benjamin
Blackburn
Brisco
Cadieu
Caouette (Villeneuve)
Clarke (Vancouver Quadra)
Crouse
Darling
Dick
Dinsdale
Dionne (Kamouraska)
Douglas (Nanaimo-Cowichan-The Islands)
Elzinga
Fairweather
Firth
Forrestall
Fortin
Fraser
Friesen
Gilbert
Halliday
Hamilton (Qu'Appelle Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hogan
Holmes
Horner
Huntington
Hurlburt
Jelinek
Jones
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
Lawrence
Leggatt
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacKay
MacLean
Macquarrie
Malone
Marshall
Masniuk
Matte
Mazankowski
McCleave
McGrath
McKenzie
McKinley
McKinnon
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
O'Sullivan
Paproski
Patterson
Peters
Reynolds
Ritchie
Roche
Rondeau
Saltsman
Schellenberger
Schumacher
Scott
Skoreyko
Smith (Churchill)
Stanfield
Stevens
Stewart (Marquette)
Symes
Towers
Wagner
Wenman
Whiteway
Woolliams
Yewchuk—94

NAYS

Messrs.

Abbott
Allmand
Anderson
Andras
(Port Arthur)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Cullen
Danson
Daudlin
De Bané
Demers
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce)
Drury
Duclos
Dupont
Dupras
Duquet
Ethier
Fleming
Flynn
Fox
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Haidasz
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Jamieson
Joyal
Lachance
Lajoie

Veterans Affairs

Messrs.

Landers
Lang
Langlois
Laniel
Leblanc
(Laurier)
Lefebvre
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacFarlane
MacGuigan
Maine
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Martin
McRae
Milne
Morin (Mrs.)
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Pelletier
(Hochelaga)
Penner
Philbrook
Pinard
Portelance
Poulin
Railton
Raines
Reid
Roberts
Robinson
Rompkey
Rooney
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Sharp
Smith
(Saint-Jean)
Stollery
Tessier
Trudeau
Trudel
Turner
(London East)
Watson
Young—112

Mr. Speaker: I declare the motion lost.

At 6.27 p.m. the House adjourned, without question put, pursuant to Standing Order.

APPENDIX "A"

SPEECH BY THE HONOURABLE ALLAN J. MACEACHEN TO THE WORLD FOOD CONFERENCE,

ROME NOVEMBER 6, 1974

Mr. President, I wish to join those who have spoken before me to congratulate you on your election to preside over our proceedings. You bring to your high office a range of learning and of experience that bear directly on the matters we have before us. The acclamation by which you were elected expressed the confidence of this conference in your capacity to help us bring our deliberations to a fruitful conclusion.

I should also like to pay tribute to the Secretary General of the Conference. He, too, is no stranger to the problems we shall be surveying. His special credentials are reflected in the quality of the preparatory work that has been done. Given the importance of the conference, there has been all too little time to set the parameters of our discussions. Nevertheless, it seems to my delegation that we have rarely entered upon a conference where the issues have been set out with greater clarity or the solutions with greater realism than in the documents the Secretary General has put before us.

This conference is engaged on a mission to seek the elimination of hunger—man's oldest scourge and the most persistent enemy. Together with the Law of the Sea Conference in Caracas and the world population conference in Bucharest, it is part of a process of reassessment of man's global relationship to the resources that sustain him that may yield us a new consciousness of the global responsibilities carried by every nation and people. We in Canada will not shirk these responsibilities, and are willing to play our part in furthering those common endeavours which bear promise of helping to produce a lasting freedom from want for all mankind—but the endeavours will remain barren if they are not truly common and truly sustained.

Hunger must today be tackled at every level—at the family, village, province, country and region as well as the global level, for no unit of society bears any graver responsibility than that of feeding its people. In our present world community we are everywhere faced with an agonizing awareness of starvation wherever it occurs; and finding means to harness production around the world to alleviate it poses a challenge to our ingenuity as well as to our compassion. We in Canada recognize that our farmers can grow more than they do at present. To that end, we have recently taken several policy initiatives that will not only ensure that producers will have more stable and satisfactory returns, but that they will have a better transport and storage system to get their products to market. We believe that these initiatives will permit Canadian agriculture more nearly to reach its potential. We must however remember that, whatever food may move internationally, most men for the foreseeable future will inevitably remain dependent on the food produced near to their neighbourhood markets.

It is for this reason that Canada emphatically supports the development of increased food production capacity by developing countries as the key to an anti-hunger strategy. Where opportunities for efficient food production exist my government stands ready to accord it a high priority in our assistance programs Canada has always been responsive to requests for assistance in this area. We are now carefully re-examining the skills and resources that may exist in Canada suitable for assisting the development of new agriculture and fisheries capacity in developing countries to determine practical ways of making them readily available. We therefore intend to have a matching response for countries who set about energetically to mobilize their internal food production resources and who give a high development priority to efficient food production.

We know from experience that expanding food production on a secure basis is not easy. It demands adaptation of land and water, technology, research, finance, modernized storage and transport facilities, marketing organizations, planning, and government services; all of which may require changes to traditional modes of life. Increased production is also facing barriers arising from supply shortages of certain inputs, notably nitrogenous fertilizers. No deus ex machina will remove these impediments overnight, and each country must come to terms with them in its own way. Where Canada can help to make these problems more manageable it will, and it will strive to see access to inputs maintained internationally on an equitable non-discriminatory basis.

The situation of the "vulnerable groups" in food-deprived areas is a reproach to us all. The spectacle of two hundred million malnourished children, and of nursing mothers suffering on a similar scale, makes a mockery of the ideals professed by every society. The malnourished children of today must somehow be enabled to become the wellsprings of tomorrow's prosperity. This conference should determine upon effective ways for directing a greater volume of food to these groups, and make them priority recipients under international food assistance programs. UNICEF and the world food program, not to mention the voluntary organizations who form so much of the vanguard in this struggle, must be given the resources to develop programs to this end which are truly effective. Canada intends to play its full part in this effort.

We cannot ignore the fact that in the immediate future there will be substantially increased demand for food imports in a number of countries that cannot pay for it. The food aid programs of many donor countries have hitherto been facilitated by the existence of "surplus stocks", which are now non-existent. Food aid is consequently falling off just when it is needed most. Yet the people fed by "surplus stocks" cannot be counted "surplus people", and their needs cannot be written off. Canada has seen its commitment to these programs as a commitment to international solidarity and to human compassion. We do not intend to abandon them now. Food aid donors, and indeed all prosperous countries, have an obligation to maintain these flows while emergency conditions persist, and should expand them if possible.

Conversely the recipients, past and future, have an obligation to take every reasonable measure to augment the availability of food locally, in order that food need not be diverted from those who are unavoidably hungry to feed those who are avoidably starving.

Canada accepts the main elements of a long-term food aid policy which have been recommended to us. I shall now set forth the specific response of the Canadian Government to these recommendations:

First, the Canadian Government accepts the concept of forward planning; it has decided to make its own commitment for the next three years.

Second, it agrees with the concept that, if the eroding effect of sudden price increases on the levels of food aid is to be avoided, the best way of pledging food aid is in physical terms, that is to say, in quantities of food rather than in amounts of money.

Third, Canada supports the setting of a minimum target for world aid flows of 10 million tons of foodgrains a year.

Fourth, in pursuance of these principles which we have accepted, Canada hereby commits itself to supplying an average of 1,000,000 tons of foodgrains annually for each of the next three years. In pledging thus more than a proportional amount towards the total target, we have had in mind that it is a minimum target and that we are facing a situation of extraordinary gravity. We would hope that other traditional and new donors will subscribe with us to the objective of surpassing the minimum target.

Fifth, Canada is prepared to increase substantially the allocation of commodities other than foodgrains for food aid purposes.

Sixth, we accept the proposition that multilateral food aid programs have operated to good and beneficial effect and that their continued effectiveness must be buttressed by adequate resources. Accordingly, we are prepared to channel approximately 20 per cent of Canada's food aid through these multilateral programs. In order to carry out this commitment Canada will make a supplementary contribution to the world food program.

This, Mr. President, is the substance of Canada's response to the situation of acute distress that is confronting us.

In the longer term there is clearly a need to define more closely the circumstances where food aid is appropriate, and avoid the disincentives it causes in indigenous production. There is merit in suggestions that grain stocks for emergency relief be set aside on some consistent international basis, and arrangements made for their rapid mobilization when needed, and we will help pursue this question.

Canada has long been a proponent of grains arrangements that would augment world food security and of other measures to this end. At last year's FAO conference Canada supported the principle of a voluntary undertaking on world food security and since then has participated actively in the consideration of alternative texts. The voluntary undertaking that is before the conference contains a framework of objectives whose attainment would be a significant world achievement. Canada endorses the undertaking, and will, once suitable country coverage and implementation arrangements have been concluded, become a party to it. We must not blind ourselves, however, to the fact that much work remains to be done, particularly among the countries chiefly concerned, to make meaningful food security a reality. In this demanding and detailed task Canada will participate fully.

World food security in its broadest sense can only be attained by the prudent management of food supplies at every level—a situation where governments, growers and traders in every country use their best judgement and foresight to assess probable needs and supplies. Canada has provided a key element in world food security in the past through its supply management and maintenance of stocks. This task is one we would be happy to share more widely. Improved information can play a big role, and we hope to see all the countries at this conference contribute extensively and accurately to the proposed early warning system. Food-importing countries have an evident self-interest in improving their storage capacity, which would augment world security. On a longer-term basis security is most likely to come from providing producers and traders with stable expectations of a financial return commensurate with the value of their product—a value which few people anywhere today would be inclined to denigrate.

Two allied international fields of concern are inextricably bound up with the food problem: international trade, and the preservation of the environment.

Canada has long supported a general liberalization of trade in food products, in order to encourage the efficient producer and thereby provide more abundant food at reasonable prices. This is one of our main objectives in the impending trade negotiations in Geneva. We recognize that certain food-importing countries face an enormous challenge in meeting their food bills in the short and medium term, and that this dilemma arises in some respects from factors beyond their control. This payments problem extends into every aspect of the economies of the countries concerned, however, and it is principally through general financial measures, including those taken within the IMF or IBRD, that Canada would expect to see this problem attacked. We are confident that the Geneva trade negotiations will follow the directives to the Tokyo ministerial meeting of the GATT in September, 1973, and secure additional benefits for the trade of developing countries, and Canada will strive to see this accomplished within a non-discriminatory trading framework.

In the longer-term perspective mankind has no choice but to arrange his feeding in harmony with a balanced use of all the earth's resources, or his civilization will go the way of those of Nineveh and Babylon—which destroyed the soils that fed them. The World Population Conference of Bucharest marked the first, albeit halting, step towards using a full range of policies to control the pressures exerted on this planet's resources. Progress in this area must be accelerated. Already we are experiencing declines in catches of certain species of ocean fish, and the sea is not the only resource whose capacity might come to be tested in the foreseeable future.

World food production has maintained a precarious adequacy through notable research accomplishments and through the application of modern technology. To gain

further ground these efforts must be redoubled, but our perspective of the problem must also be widened so that entire eco-systems can be used to greatest advantage and a lasting equilibrium can be achieved.

Mr. President, I have outlined in some detail the Canadian position on the various elements of the world food strategy that the Secretary General has set before us. We recognize that this strategy, if it is to bear fruit, will require a reordering of priorities on all our part. We also recognize that it will require the mobilization of vastly greater resources for agriculture both nationally and by the international community. We believe that the time to set this world food strategy on its right course is here and now by this conference.

As an earnest of Canada's commitment to the solution of the world food problem, I am pleased to announce that the Canadian Government has decided to allocate at once the sum of $50 million of Canada's development assistance to be used in ways which will make an effective impact on the present critical situation.

The primary aim of this conference, as we see it, is to produce at every level of society an awareness of the affront to the human conscience that hunger constitutes, wherever it exists, and a determination to make its elimination a basic policy goal of all governments represented here. If that is to be the result of our conference, its conclusions cannot be allowed to implement themselves. We must try to ensure that we have the mechanisms that will enable us to monitor and review the progress that is being made, to correct the strategy when and where it needs correcting, and to see to it that existing and new resources are used to promote agricultural development in a coherent and effective manner.

It is our view, Mr. President, that in this essential process of pursuit, full advantage should be taken of the experience and the established competence of the organizations that have a contribution to make to the solution of the world food problem. This is not to say that all should remain as it is but that we should approach the matter of institutional arrangements with economy and good sense.

On October 30 the Prime Minister of Canada met in Ottawa with the premiers of the ten Canadian provinces to discuss the problem of inflation. My Prime Minister took this opportunity to raise with his colleagues from the provinces the world food problem. They told him that they were also preoccupied by it and that provincial governments were prepared to cooperate with the Government of Canada in contributions to the resolution of the world food problem. I think this vividly reflects the seriousness with which Canadian people view the problems before this conference.

Future generations have a claim on our intelligence and our compassion, as do today's, and if we do our work well they may come to look back on this conference as the starting point for the development of a global process that gave each man, in truth, his daily bread.

HOUSE OF COMMONS

Thursday, November 7, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Third report of Standing Joint Committee on Regulations and other Statutory Instruments—Mr. McCleave.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

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FOOD PRICES

SUGGESTED CONTROL OF PRICE OF BREAD AND MILK—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise on a question of urgent and pressing necessity in accordance with the provisions of Standing Order 43. The consumer price index released today by Statistics Canada shows the largest September to October change in 24 years. Bread, milk and sugar combined to push the food component up by 1.4 per cent. On September 4, 1973, the Prime Minister introduced a program to subsidize domestic wheat to keep down the price of bread and a five-cent per quart subsidy to keep down the price of milk. In view of the dietary importance of milk and bread and in order to ensure that Canadians on lower and fixed incomes will not be deprived of these two vital elements of an adequate diet, I move, seconded by the hon. member for Peace River (Mr. Baldwin):

That in the opinion of this House the government should give immediate consideration to introduce measures to control the spiralling cost of bread and milk in Canada.

Mr. Speaker: The House has heard the terms of the motion being proposed pursuant to Standing Order 43. It cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

STATISTICS CANADA

ALLEGATION ADVANCE INFORMATION AVAILABLE TO MINISTERS—SUGGESTION THAT PRACTICE BE STOPPED

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Acting Prime Minister. It being reliably reported that the departments of government, and perhaps as well ministers, are receiving reports of Statistics Canada sometimes several days in advance of their being made public, I should like to ask the Acting Prime Minister whether he has any comment to make on this report and whether he will give the House assurance that any such practice will be discontinued immediately?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, may I make one general comment and then ask my colleague the Minister of Industry, Trade and Commerce to answer more fully. My opening comment is that this is not a new policy. It is a policy which has existed since the 1950's and was followed, for example, by the administration of the right hon. member for Prince Albert.

Mr. Diefenbaker: Mr. Speaker, I rise on a question of privilege to say to the minister that his statement is false. Documents were delivered to the press and to the public on the same day as received and were not kept under cover for several days as is the practice of the present administration.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I should like to tell the House that that is not my information.

Mr. Diefenbaker: Your information is generally wrong. We have found that out.

Mr. Gillespie: We have made full and very extensive inquiries and have been assured that this is a long-term practice and I believe for very good reasons. The general public expects ministers to be fully informed of selected indicators of the country's economic performance.

Mr. Diefenbaker: That is what you have been asleep on.

Mr. Gillespie: The government at the same time is continually reviewing the needs of departments in this connection and for that reason we have a departmental committee examining the practice at this time.

Oral Questions

ALLEGATION ADVANCE INFORMATION AVAILABLE TO MINISTERS—REFLECTION ON CREDIBILITY OF ISSUING AGENCY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a further question for the Acting Prime Minister as the acting spokesman for the government here today. I did not ask whether this had gone on before. We all know there used to be conflicts of interest in bygone days which are no longer tolerated. I ask the Acting Prime Minister whether in fact this is taking place and whether he will give the House assurance that it will be discontinued because its existence in modern day conditions, in view of the importance of Statistics Canada's credibility being beyond question, places that institution in a very bad and very unfortunate light. Also in view of the suggestion that the Chief Statistician has been trying to get this practice stopped I ask the Acting Prime Minister whether he will in fact see this is stopped and not try to talk about what has happened in the past.

● (1410)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as my colleague, the Minister of Industry, Trade and Commerce, has said, the government has this under review. I should like to say to the House, however, that the reason I explained that it was a long standing practice was to make it clear that it did not originate with this administration or that there had been any changes that would in any way have reflected on the integrity of Statistics Canada. I think that the information should be made known to the government as soon as possible. As I understand the situation, Statistics Canada does not hold back any publication in order to give the government advance information, either now or in the past. It is simply that when certain crude information is available, it is available to the ministers who can take action on it as quickly as possible. I am sure that the Leader of the Opposition would expect that the government should get vital information of this kind as quickly as possible so that it can adapt its policies as quickly as possible.

Mr. Stanfield: I am surprised that such a Liberal as the Acting Prime Minister would justify some practice because it has been done for years in the past.

Mr. Diefenbaker: Starting in 1963.

Mr. Stanfield: May I ask the Acting Prime Minister whether this practice does not unfortunately put the Chief Statistician and Statistics Canada in a very bad light. Does not the existence of this practice tend to undermine the impartiality and the independent position of that agency, and if it is the view of the Chief Statistician that this practice should stop and that information should be made public at the same time as it is made available to the government, will the Acting Prime Minister and the government accept that view and remove Statistics Canada from the invidious position in which the government is placing it?

Some hon. Members: Hear, hear!

Mr. Sharp: Mr. Speaker, I do not agree with the suggestion of the Leader of the Opposition that Statistics Canada is put in a compromising position by letting the government have certain vital information as quickly as possible. If there was any suggestion—which the chief statistician has not made—that she was under any pressure, that would be a different matter. She has never alleged that. Indeed, I think it is quite clear that she has never been subjected to any pressure to change any of the figures that have been published.

[Mr. Gillespie.]

ALLEGATION ADVANCE INFORMATION AVAILABLE TO MINISTERS—SUGGESTED QUESTION OF PRIVILEGE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question of privilege. In light of the very damaging revelations made by the Acting Prime Minister today—

Some hon. Members: Oh, oh!

An hon. Member: Headlines!

Mr. Baldwin: —which support the statement made by the Chief Statistician who is the deputy, under the statute, of the Minister of Industry, Trade and Commerce and in light of the fact that it has obviously been admitted that members of the cabinet who are members of this House and as such in a political sense receive advance statistical information resulting in the delay and the suppression for definite periods of time of this vital information so essential to the members of the House and to the public, if Your Honour finds there is a prima facie case of privilege I would move the following motion:

That the extent to which the government in general and the Minister of Industry, Trade and Commerce has engaged in the practice of suppressing or delaying publication of statistics of urgent public importance for one or more days after Statistics Canada has reported them to him be referred to the Standing Committee on Privileges and Elections.

Some hon. Members: Hear, hear!

An hon. Member: Did you have any other dreams last night, Jed?

Mr. Diefenbaker: I would like to get some of those officials on the witness stand.

Mr. Baldwin: I will be glad to interpret it for Your Honour.

Mr. Speaker: Order, please. The hon. member has sought the floor on a question of privilege and has outlined what he alleges to be a prima facie question of privilege. The preamble contains an allegation that there has been disclosure today of some untoward withholding of information by the ministry which is in receipt of that information, particularly the Minister of Industry, Trade and Commerce who I presume, without at least on the face of it further argument, would be in receipt of that information in the course of his duties. At the moment, I cannot be persuaded that that represents a prima facie question of privilege. If further information of that sort comes to light and is pressed by the hon. member for Peace River or any other member, that the hon. Minister of Industry, Trade and Commerce or any other minister has in fact in any way deliberately withheld or in any way used deception in the possession of that information in the carrying out of

his duties, that might form the basis of a specific charge to that effect by a member with the concomitant results well known to members on both sides of the House.

I find, however, that the general allegation of a standard of conduct which is perhaps less than the perfect standard which might be observed by other members were they in the position of the minister is perhaps a criticism of the ministry but it does not in my opinion constitute a prima facie case of question of privilege.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for St. John's East on a supplementary.

PROPOSAL TO ESTABLISH LOW INCOME EARNERS' CONSUMER PRICE INDEX

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question for the Minister of Industry, Trade and Commerce has to do with Statistics Canada. In view of the fact that low income earners in Canada spend a much larger proportion of their incomes on certain components of the Consumer Price Index such as food and shelter than does the average Canadian family, would the minister instruct Statistics Canada to institute a low income earners' index which would adequately reflect the effects of rises in the cost of living specifically on low income earners?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I would be pleased to refer that representation to the Chief Statistician.

* * *

HOUSING

INCREASE IN INTEREST RATE ON LOANS TO PROVINCES FOR PUBLIC HOUSING—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is directed to the Minister of State for Housing. Since the 10.3 per cent increase in the housing index portion of the cost of living figures released today represents the highest increase for a comparable period of time in the past two decades, and since interest rates account for a major proportion of the increase, can the minister explain to the House the incredible decision made by his department last week to increase the interest rate on money going out to the provinces for public housing from 10 per cent to 10⅜ per cent? Given the need for more public housing and the need to solve the problem of interest rates, can the minister explain why the government last week increased its own interest rate to the provinces.

● (1420)

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, it has been the practice of CMHC to lend the provinces the funds necessary and agreed upon at the rate at which we borrow from the Department of Finance, plus ⅜ of one per cent, I believe, to pay for handling. That has been the consistent practice except in specific areas involving programs with interest rate subsidies. We have done this in previous programs and will in future, and this fact will be reflected in new programs.

REASON FOR DIFFERENCE BETWEEN LENDING RATE TO PRIVATE DEVELOPERS AND TO PROVINCES FOR PUBLIC HOUSING

Mr. Edward Broadbent (Oshawa-Whitby): A supplementary question, Mr. Speaker. The minister knows very well that that is a matter for his decision. Why is the government lending money to the provinces, for public housing, at 10⅜ per cent, when it is lending money to private developers at 8 per cent? Why is it putting out money for public housing at an interest rate substantially higher than that made available to private developers for limited dividend housing?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, it is a judgment which must be made. Interest rates have to reflect costs, to some extent, even when subsidized. In my judgment that is the logical way to provide money to provinces at a lower cost than the one at which they are able to raise it for themselves. They seem quite happy to accept it on that basis and we provide a subsidy in those areas where we see specific benefits.

* * *

FINANCE

SUGGESTED DIVERSION OF FUNDS FROM CONSTRUCTION OF PUBLIC BUILDINGS INTO HOUSING

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct a supplementary question to the Minister of Finance. Since one of the government's stated cures for inflation involves increased supply, will the government consider cutting back on its stated intention to spend some $128 million during the current fiscal year for federal government buildings in the Ottawa area and divert funds to the much needed housing sector?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, there was a general understanding on the part of the provincial premiers, when they met the Prime Minister and me—

An hon. Member: Before or after coffee?

Mr. Turner (Ottawa-Carleton): That was after coffee, Mr. Speaker—there was the general understanding that, in certain overheated areas of the country, it might be wise to postpone or orchestrate capital building in favour of residential housing. This is something I want to take under consideration. I will give the hon. member a fuller answer on budget night.

REDUCTION OR REMOVAL OF SALES TAX ON BUILDING MATERIALS—INCLUSION OF LAND COSTS IN COMPILATION OF CONSUMER PRICE INDEX—GOVERNMENT POSITION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my supplementary question is also addressed to the Minister of Finance. As the consumer price index for

October illustrated that housing costs were again on the increase and as the CPI does not include land costs, which have registered the most dramatic increase in all housing factors in the compilation of the housing component index, would the minister now consider either removing or reducing the 11 per cent sales tax on building materials and including the land factor in future calculations of the CPI, to ensure that Canadians are informed about the true increases in the housing component index.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the components of the index are a matter for Statistics Canada. The hon. gentleman's question really relates to a budgetary matter. I might say at this stage that the prime thrust in the rise in the cost of living, although it involves housing and clothing components, was primarily owing to the increase in food costs, particularly foods having a sugar based component.

Mr. Baldwin: Surely, with four days' notice the minister could have done better than that.

* * *

[*Translation*]

HOUSING

AGREEMENT WITH QUEBEC ON URBAN RENEWAL—INQUIRY AS TO PROJECTS PRESENTED BY MUNICIPALITIES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to put a question to the Minister of State for Urban Affairs.

Following the signature of an agreement with the province of Quebec concerning Bill C-133 on urban development, could the minister tell the House whether many municipalities have submitted projects in order to benefit from this legislation?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, the agreements were signed fairly recently. I am not aware of the specific projects which have been submitted to the provinces on this matter but I will be glad to get the information and inform the hon. member.

[*Translation*]

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

Can the minister tell the House whether, under the terms of this agreement, the Minister of State for Urban Affairs is provided with regular information concerning the application submitted by the municipalities?

[*English*]

Mr. Danson: Mr. Speaker, I am sure I will be aware of them. However, I believe this will be handled through the Quebec Housing Corporation.

[Mr. Munro (Esquimalt-Saanich).]

FINANCE

SUGGESTED NEED FOR MEASURES TO INCREASE PRODUCTION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Finance. As the minister has stated many times that the only effective way to combat inflation is to increase production, and as Statistics Canada have reported that the index of real domestic product, which is the real industrial growth of the country, has actually decreased during the last six months, showing less than zero growth during that period, will the minister advise if the country can expect programs to be introduced in the budget to increase production in this country which will be far more effective than those which he presented in his last three budgets?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the increases in capacity and production, both in the agricultural and industrial spheres, are of course an essential part of the government's program, although not the only part. I will be glad to reply in more detail to the hon. member's representation on budget night. I know he will be here.

STATUS OF MEETINGS WITH VARIOUS GROUPS ON PROPOSALS TO FIGHT INFLATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a supplementary question for the Minister of Finance. For approximately two months now the Minister of Finance and the Prime Minister have been talking about a co-operative effort to fight inflation and fairly share the national pie among wages, prices and profits, something in which we are all interested. Have these get-togethers, referred to by some as social get-togethers, with groups in the economy come to an end and are substantive and formal talks, based on concrete government proposals, about to begin and, if so, when?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, they have been in progress. I hope to provide further clarification to the House on budget night. As the program develops, it will be fully apparent to the House and the people of this country.

* * *

MANPOWER

PROPOSED CONFERENCE ON INCOME DISTRIBUTION—GOVERNMENT POSITION

Mr. Lincoln Alexander (Hamilton West): Mr. Speaker, I wish to direct a supplementary question to the Minister of Manpower and Immigration. It is in the same vein, respecting wages, prices and profits and, in particular, income distribution. In view of the statement made by Mr. Lawson, president of the Canadian Manufacturing Association, that there are labour shortages on one hand and inflated unemployment benefits on the other while employers search for workers to man their plants, and his subsequent call for a national conference to discuss income distribution, composed of governments, organized labour, farmers, consumers and businessmen, will the

minister act upon Mr. Lawson's request and call a conference at an early date?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will be glad to give the representation of the hon. member and his chum, the president of CMA, full consideration.

* * *

CONSUMER AFFAIRS

SUGAR—REQUEST FOR ACTION TO CONTROL PRICE

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. With the wholesale cost of sugar rising over 400 per cent in 11 months and the industry predicting it will go to $75 in mid-November and $120 by January, when will the minister step in and stop retail prices from this skyrocketing spiral which could bring sugar to $1.50 a pound retail?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I previously answered a question relating to sugar in this House and I said that the government would soon announce its policy. I would therefore ask the hon. member to wait for this announcement.

* * *

[*English*]

EXTERNAL AFFAIRS

WORLD FOOD CONFERENCE IN ROME—PROPOSAL BY UNITED STATES TO ESTABLISH EXPORT PLANNING GROUP

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Acting Prime Minister. At the World Food Conference in Rome today, the United States proposed a new export planning group which is seen by many in Rome to be another rich man's club in control of vital commodities. Will the Canadian delegation in Rome be instructed by the government to insist that any such new group have representative membership of rich and poor nations so that a power cartel on food will be avoided?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am inclined to agree with the sentiments expressed by the hon. member. I will take his suggestions under consideration.

Mr. Roche: Recognizing the Acting Prime Minister will want to examine the United States proposal in detail, may I ask whether he will now give his assurance that any food authority established at the Rome conference will be truly international and that Canada will insist on this?

Mr. Sharp: Mr. Speaker, that will be in accordance with established government policy.

● (1430)

CONSUMER AFFAIRS

SUGAR—ALLEGATION LARGER AMOUNT IN STORAGE THIS YEAR THAN LAST—INCREASED MARK-UPS

Right Hon. J. G. Diefenbaker (Prince Albert): A supplementary question to the Minister of Consumer and Corporate Affairs. The hon. gentleman informed the House that he had answered questions on this subject earlier. But the people of Canada are not asking for sugar-coated ministerial statements. They are asking for action.

Some hon. Members: Question!

Mr. Diefenbaker: Will the minister tell us whether or not an inventory has been taken of the amount of sugar in storage in Canada? Do present stocks amount to a great deal more than at this time last year? With prices rising at an outrageous rate, and sugar refineries making tremendous profits, surely we are entitled to a better answer than being told that some day, some place, we shall be advised as to what is happening.

Does he realize that the sugar refineries are before the courts today? I do not say whether they are guilty or not guilty. But if they are found guilty, the amount they have been able to mulct from the Canadian public in the last few weeks would pay several of the largest fines.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, there are several aspects to the question raised by the right hon. member. I do not think I could examine all of them during the question period; I can however assure him that, as far as I am concerned, my department has assumed its responsibilities and has initiated proceedings against three Eastern Canada refineries. Also, we support the Plumptre board's recommendations concerning rates. Moreover, we are waiting impatiently for the hon. Minister of Agriculture's recommendations as to the possibility of increasing to a certain extent sugar production in Canada. Finally, we support the efforts of the hon. Minister of Industry, Trade and Commerce concerning international agreements.

[*English*]

Mr. Diefenbaker: We have heard all those exculpatory statements over and over again. Is it not a fact that there are in storage today on behalf of the sugar corporations of Canada larger amounts of sugar than were held last year certainly, or for several years, and that the prices of the stocks on hand and purchased at lower rates than today are now being marked up and up day by day, whereby totally unconscionable increases are taking place?

[*Translation*]

Mr. Ouellet: If what the right hon. member is saying is true, I hope he will support the steps I will take when I introduce a profiteering bill later on during this session.

[*English*]

TRADE

REASON CANADA NOT NEGOTIATING WITH CUBA TO PURCHASE SUGAR

Mr. John Rodriguez (Nickel Belt): My supplementary is to the Minister of Industry, Trade and Commerce, and I hope I don't get any sweet talk. The consumer price index indicates that sugar prices have more than tripled over the last year and I note that Cuban sugar is being sold to us at $4.57 per cwt. while Australian and South African sugar are considerably more expensive at $6.47 and $6.02 per cwt. respectively. Would the minister explain why Canada is not negotiating with Cuba for more substantial imports of raw sugar?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): The primary reason is, of course, that the sugar trade is carried on by the private sector. In this connection I think the hon. member might be interested to know that imports of sugar from Cuba have increased in recent years. In 1974 it is estimated Cuba will supply between nine and ten per cent of Canadian requirements.

Mr. Rodriguez: Can this House and the people of Canada expect that the government will step in to make sure that the public is able to buy sugar and its derivatives at reasonable prices rather than being ripped off by the sugar cartels?

Mr. Gillespie: I have already informed the hon. member that companies in business in the private sector have increased their imports from Cuba. These amounted to 47,000 tons in 1973 and I understand that imports in 1974 should be in the order of 97,000 tons.

Mr. Ellis: A point of order, Mr. Speaker. I am not at all sure that this is a valid point of order but when the hon. member for Nickel Belt was asking his question he talked about sugar being sold at $4.00 a cwt. and $6.00 a cwt. and the minister read his answer back, though everyone knows the price of sugar is over $60 per cwt., not $6.00.

An hon. Member: The minister does not know that.

* * *

PARLIAMENT HILL

PROPOSED RESTRICTION OF DEMONSTRATIONS TO CERTAIN AREAS

Mr. Joe Flynn (Kitchener): Mr. Speaker, my question is for the Solicitor General. It arises from the increasing number of demonstrations on Parliament Hill, the anxiety these demonstrations cause and the impediments created by them. Would it be possible to restrict these demonstrations to an area of the Hill where they would not interfere with normal business and would not cause consternation—

An hon. Member: It is their parliament, too!

Mr. Flynn: —to many Canadians and visitors from abroad who have a perfect right, also, to be on the Hill.

[Mr. Ouellet.]

Some hon. Members: Oh!

Hon. Warren Allmand (Solicitor General): I will look into that question, Mr. Speaker, but it is my understanding that matters relating to Parliament Hill and its use for demonstrations or otherwise fall under Your Honour's jurisdiction.

* * *

FINANCE

SUGGESTED PUBLICATION OF INTERIM REVIEW BY DEPARTMENT IN VIEW OF EXPECTED SURPLUS RATHER THAN DEFICIT

Hon. Marcel Lambert (Edmonton West): In view of the fact that the Annual Review of the Department of Finance is released in early spring and would now be many months out of date, does the minister intend to publish an interim review before November 18 so that we can put his budget proposals in proper perspective?

Hon. John N. Turner (Minister of Finance): The hon. gentleman will recall that in the last three years we have been publishing an Annual Review at that time regardless of the particular date on which the budget is presented. I hope to bring the hon. gentleman up to date as best I can during the budget presentation itself.

Mr. Lambert (Edmonton West): I ask that question, Mr. Speaker, because in the budget of May 6 the minister was calling for a budgetary deficit of some $450 million during the fiscal year. The other day, however, he indicated that a budgetary surplus of some $598 million was now expected. I should like to know whether this spread, amounting to more than $1 million, is the result of any change in fiscal policy or whether it is a measure of the standard of government forecasting?

Mr. Turner (Ottawa-Carleton): That is a matter with which I intend to deal in some detail on budget night.

* * *

[*Translation*]

COMBINES

REQUEST FOR PROHIBITION OF USE OF LOSS LEADERS—MINISTER'S POSITION

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the hon. Minister of Consumer and Corporate Affairs.

In view of the fact that last year the NATCD began campaigning to make the government aware that this country's small businesses are disappearing because of the tremendous growth of concerns which resort to more or less fair methods to accelerate their growth, I would like to ask the hon. minister, in view of Bill C-2, whether he would be ready to favour the addition of a clause recommending that the sale of loss leaders become, through that bill, an offence under the act?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will certainly be pleased to examine clauses of that type, the more so as Bill C-2 provides that such a practice as that mentioned by the hon. member would be illegal, if the price is ridiculously low and likely to limit seriously competition. I think this is another example of the urgency to amend our competition act and I hope the hon. member will persuade his colleagues on the other side to support my action.

* * *

● (1440)

[*English*]

CONSUMER AFFAIRS

SUGAR—ALLEGED REFUSAL OF REDPATH, ATLANTIC AND ST. LAWRENCE REFINERIES TO ACCEPT ORDERS FOR FUTURE DELIVERIES TO SMALL PROCESSORS

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, is the Minister of Consumer and Corporate Affairs aware of the practices of the big three sugar companies operating in Canada, namely, Redpath, St. Lawrence and Atlantic, of refusing to accept orders for future delivery of sugar to small processors, which is the usual custom for supplying larger firms, and of their only supplying these small processors on a short-term pickup basis?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would be very happy to be provided with all the details on the type of activity the Redpath Company is indulging in. If the hon. member wants to give them to me, I will gladly accept them and pass them on to the officials of my department for them to take necessary action.

* * *

[*English*]

LABOUR RELATIONS

WALKOUT OF RAILWAY EMPLOYEES—POSSIBILITY OF SETTLEMENT—INVESTIGATION OF METHODS TO SETTLE FUTURE DIFFICULTIES

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in view of some uncertainty as to the actual status of the railway walkout, can the Minister of Labour enlighten the House on the actual situation?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I believe the matter is presently being resolved and I am awaiting another report at any time.

Mr. Ritchie: Mr. Speaker, as more than 1,250,000 workers will be involved in wage settlements in the coming year is the minister actively pursuing methods such as voluntary arbitration or final offer in dealing with this type of walkout?

Mr. Munro (Hamilton East): Mr. Speaker, the discussion we are now undertaking with labour, business and industry is designed for that very purpose, to see if we can through some type of tripartite arrangement find better ways of avoiding work stoppages of this kind.

In connection with the hon. member's first question, I think the House will be pleased to know that I think an agreement has now been reached, subject to confirmation, between the railway unions and management in respect of the ensuing year.

* * *

HEALTH

MEDICAL RESEARCH AT UNIVERSITY OF BRITISH COLUMBIA—REQUEST FOR INCREASED GRANTS

Mr. Bob Brisco (Kootenay West): Mr. Speaker, in the absence of the Minister of National Health and Welfare I should like to direct my question to his parliamentary secretary, the hon. member for Southwestern Nova. In view of the fact that federal support of medical research at the University of British Columbia has been significantly decreasing, and that on October 15 the Canadian Medical Science Community presented a brief to the minister on the immediate need for increased funding, does the minister now feel convinced of the need for greater assistance to medical research at the University of British Columbia and across Canada?

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I have taken note of the hon. member's question and I will bring it to the attention of the minister.

* * *

[*Translation*]

HOUSING

SUGGESTION $500 GRANT TO BE RETROACTIVE TO JULY 1, 1974

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is for the hon. Minister of State for Urban Affairs.

Would the hon. Minister inform this House whether he has considered the possibility of making the $500 grant provided for new house owners retroactive to July 1, 1974, rather than to November 1, 1974?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Yes, Mr. Speaker, I did consider that and rejected it. I did agree that it would be retroactive from the date of the announcement, when the legislation is passed.

Mr. Broadbent: Mr. Speaker, I rise on a point of order. I had intended to wait until the end of the question period, but since the minister has dealt with a similar question I will raise it now. In response to one of my questions I think the minister inadvertently misinformed the House. The question concerned the new interest rate the government was charging the provinces under section 43, which has gone up to 10¾ per cent. The minister replied that the rate was still such that the provinces would want to borrow money from the government as they could get it cheaper there than elsewhere. I am informed that precisely because it is now at this rate it will undermine the public housing program as provinces can get the money cheaper elsewhere. Would the minister inform the House

whether he was talking about the old rate or the new higher rate announced last week?

Mr. Danson: Mr. Speaker, I have had no indication that the program is undermined or that the provinces are rejecting any money at these rates. On the contrary, they seem to be moving forward and we are co-operating with them. I do not say I am satisfied, or that anyone is satisfied with the degree of activity, but we are trying to escalate it. I will be introducing new legislation to this end. We have not had a bad record, or all that we want to see, but we want to build from there.

* * *

TRANSPORT

DIFFICULTIES WITH GO-URBAN MAGNETIC TRAIN—POSSIBILITY OF FEDERAL ASSISTANCE

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I have a question for the Minister of Transport. In view of the frontpage headline in this morning's *Globe and Mail* to the effect that the province of Ontario's Go-Urban magnetic train is having difficulties and in view of the fact that this system was intended to be used in other places, particularly Ottawa, has the government of Canada been asked in any way to assist in this matter to overcome these difficulties?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think the hon. gentleman knows that we are working very closely with the government of Ontario in attempting to form only one corporation for the purpose to which the hon. member has referred. In addition to that, our own transportation development agency in Montreal is working on a device similar to the one which has been put under contract to Krauss-Mafei of Germany.

* * *

STATISTICS CANADA

INQUIRY AS TO ADVANCE INFORMATION BEING AVAILABLE TO SENATOR DAVEY

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is directed to the Acting Prime Minister and is supplementary to those asked earlier by the Leader of the Opposition. Would the minister advise the House whether any advance notice of the report of Statistics Canada referred to earlier goes directly, or is otherwise made available by any means to Senator Keith Davey? Can he give us any guarantee that that is not done or that that has not occurred?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

[Mr. Broadbent.]

THE CANADIAN ECONOMY

UNEMPLOYMENT AND INFLATION—MINISTER'S VIEW ON WHICH IS MORE IMPORTANT PROBLEM

Mr. James Gillies (Don Valley): Mr. Speaker, in as much as the Minister of Finance has always in the past been willing to express his views on what is happening in the economy, for example in 1973 he said there was basic unemployment and in 1974 inflation, now that the policy of the government has slowed down the economy and we have rising unemployment and inflation at the same time, would he indicate what he considers the most important problem to be dealt with in the forthcoming year?

Some hon. Members: Oh, oh!

* * *

PENITENTIARIES

ST. VINCENT DE PAUL—REQUEST FOR STATEMENT ON ESCAPE OF FIVE INMATES—LETTER REQUESTING VISIT BY JOURNALISTS TO CELL BLOCK ONE

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, in view of the much publicized letter directed to the Solicitor General warning of a "blood bath killing spree" by extremely dangerous escapees from the maximum security block at Laval Penitentiary, would the minister advise the House of the intended response of his government to the threat? In view of the fact the minister almost a week ago received a promised report on the breakout, will he make a full statement on motions regarding this serious situation rather than continuing to ignore this House in favour of government by press conference?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I should like to deny the last allegation. I have answered all questions put to me on this matter in this House.

Some hon. Members: Hear, hear!

Mr. Allmand: Very often the press has better questions than I get in this House, therefore they get better answers.

Some hon. Members: Oh, oh!

Mr. Allmand: Yesterday I received a call from a lawyer in Montreal who conveyed to me the contents of a letter he had received from two of the escaped inmates, one being Richard Blass, in which they complained of conditions in cell block one of the Laval temporary maximum penitentiary. They asked that we permit the entry of a group of journalists into the institution and that there be an improvement in the conditions. Let me say that we have always taken the position that we should try to improve and humanize our institutions and also improve the security, but we do not intend to let inmates decide for us how our penitentiaries should be administered.

● (1450)

On the other hand we have always permitted the entry of the press into the institution unless there has been some serious incident. I have consulted with the officials of the

penitentiary service and we have agreed we will in this case permit entry of some journalists into the Laval maximum security institution under certain conditions. I will be getting in touch with certain journalists in this regard.

With regard to the report in question I received it on Monday this week. There were findings in the report of maladministration and negligence. There were 16 recommendations, 14 of which have to do with improvements in the institution and we are already taking action on this. There is one recommendation in respect of discipline and this is under consideration at the present time.

Mr. O'Sullivan: I rise on a point of order, Mr. Speaker. I hesitate to do so, but I find myself having to do so because of the minister's continued refusal to make a statement on motions about this very serious situation.

Mr. Speaker: Order, please. The hon. member knows very well that is not a valid point of order.

The hon. member for Parry Sound-Muskoka.

Mr. O'Sullivan: On a point of order, Mr. Speaker—

Mr. Speaker: The hon. member indicated at the beginning of his remarks that his alleged point of order had to do with the alleged failure of the minister to make a statement on motions. Unless the hon. member has another reason, that is not a valid point of order.

Mr. O'Sullivan: Mr. Speaker, my point of order refers to Beauchesne's Fourth Edition at page 134, section 159(2) of which I am sure Your Honour is aware. It reads:

> A Minister of the Crown is not at liberty to read or quote from a despatch or other state paper not before the House, unless he be prepared to lay it upon the table. This restraint is similar to the rule of evidence in courts of law, which prevent counsel from citing documents which have not been produced in evidence. The principle is so reasonable that it has not been contested; and when the objection has been made in time, it has been generally acquiesced in.

My point of order is that the minister's failure to make a statement on motions makes me very aware of the fact that the minister was reading his answer and the minister must now under the rules table the entire document.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The citation to which the hon. member has referred deals only with instances in which a minister of the Crown in making an announcement or in making a comment or speech in the House refers to an existing document of some sort in the possession of the minister of the Crown which is not in the possession of the House in which case he must identify it and lay it on the table. Certainly, documents, in that sense were not intended to cover brief notes the minister may have in order to prepare himself to answer the questions put to him during the question period.

The hon. member for Parry Sound-Muskoka.

CONSUMER AFFAIRS

DIFFERENTIAL BETWEEN PRICE OF C GRADE AND A GRADE BEEF—STEPS TO PROTECT CONSUMER UNTIL FOOD PRICES REVIEW BOARD REPORT AVAILABLE

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, may I direct a question to the Minister of Consumer and Corporate Affairs. Yesterday in the House the minister mentioned a forthcoming report by the Food Prices Review Board concerning the price discrepancies between C grade and A grade beef. Will the minister indicate what intermediary steps he is taking to protect consumers from these price discrepancies until the Food Prices Review Board report is released.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think this report will be made public in the near future and I would ask the hon. member to wait for its recommendations before asking me to take action.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

MERCURY POISONING STUDIES ON GRASSY NARROWS AND WHITE DOG INDIAN RESERVES—NEGOTIATIONS WITH ONTARIO TO ALLEVIATE SITUATION

Mr. Wally Firth (Northwest Territories): Mr. Speaker, my question is directed to the Minister of the Environment. I should like to ask the minister whether the government has undertaken any studies concerning mercury poisoning on the Grassy Narrows and White Dog Reserves in northern Ontario?

[*Translation*]

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, studies are presently made on the mercury content in fish, but the regulations on fishing of mercury-contaminated species are made by the Department of National Health and Welfare.

[*English*]

Mr. Firth: I have a supplementary question for the same minister. Have any negotiations been undertaken with the Ontario government on how to clean up this pollution?

[*Translation*]

Mrs. Sauvé: Mr. Speaker, I could not answer affirmatively, but I think that it would be advisable to direct that quite specific question to my colleague the Minister of State in charge of Fisheries.

* * *

[*English*]

PUBLIC SERVICE

INCREASE IN UNILINGUAL FRENCH POSITIONS—APPLICATION OF MERIT SYSTEM

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the President of the

Treasury Board as the minister responsible for the Public Service or at least in respect of his capacity as spokesman for the government's bilingualism program. Would the minister tell the House whether the merit system will continue to operate in the government's plan to further increase the number of unilingual French positions in the public service replacing bilingual positions as published in yesterday's press?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): The answer is yes, Mr. Speaker.

[*English*]

Mr. Alkenbrack: I have a supplementary, Mr. Speaker. Could the minister tell the House how the merit system can continue to prevail under the program as announced yesterday?

[*Translation*]

Mr. Chrétien: I did not announce any program yesterday, Mr. Speaker. Legislation on this matter was passed by Parliament a few years ago. A resolution has been concurred in by the House in 1973, to the effect that there would henceforth be in the Public Service bilingual positions, positions where English would be essential, positions where French would be essential, and positions where both English and French would be required. It is within this policy adopted by the House that this program will be implemented.

* * *

[*English*]

CONFLICT OF INTEREST

GUIDELINES FOR MINISTERS ON ACCEPTANCE OF FREE TRANSPORTATION—GOVERNMENT POSITION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Prime Minister I should like to direct my question to the Acting Prime Minister. Would he indicate if any guidelines have been set for cabinet ministers and their families as to when they may or may not accept directly or indirectly free transportation or other accommodation from those in the private sector and if so would he table the guidelines. If not, will such guidelines be set and tabled?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am not aware of such guidelines. I am sure the cabinet ministers, all my colleagues, observe principles of good sense and avoid becoming in any way indebted to anyone else.

Mr. Stevens: Mr. Speaker, I have a supplementary again directed to the Acting Prime Minister. In view of his earlier question and in view of the fact that El Al, Israel's state airline, has two seats available on its regular flight from Israel to Montreal on Monday, would the Acting Prime Minister cause the Minister of National Health and Welfare to be informed that it would be preferable for the minister and his wife to use those seats rather than return on the Bronfman jet as he has so brashly stated he intends to do.

[Mr. Alkenbrack.]

Mr. Speaker: Order, please. The hon. member for Saskatoon-Biggar.

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CENTRAL MORTGAGE AND HOUSING CORPORATION

SUGGESTED UPWARD ADJUSTMENT OF LOAN CEILINGS—GOVERNMENT POSITION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I should like to direct my question, if I may, to the Minister of State for Urban Affairs. In view of the incredible rise in building costs now being experienced in Canada, and the particularly severe restraints being placed upon the provision for and construction of hospitals, nursing homes and low rental housing, would the minister agree to instruct Central Mortgage and Housing Corporation to upwardly adjust its loan ceilings in order to meet this particular pricing problem with very little expense to the Canadian taxpayer.

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I should like to assure the hon. member that the loan ceilings are constantly under review in view of the fluctuating situation and variations in different parts of the country, and I think we should bear in mind that the ceilings tend to become minimums. By setting realistic ceilings we have seen programs which have been extremely successful. The minimum price for a house in certain areas has come down to meet the ceilings we have set.

● (1500)

Some hon. Members: Where?

Mr. Danson: So long as members ask where, I would ask them to just look at the advertisements in the Toronto *Daily Star* which appeared on the same day as the announcement which the hon. member for Broadview made that houses were not available at or below the ceiling in Toronto.

Some hon. Members: Hear, hear!

Mr. Gilbert: I rise on a question of privilege, Mr. Speaker. Last Friday I invited the minister to take me around metropolitan Toronto and show me any homes that were priced at less than $45,000. He did not take up the invitation. I checked the newspapers on the weekend and I found only one builder who was advertising homes at less than $45,000. He advertised them for $39,000 and up. I would again ask the minister to show me those homes in the Toronto area that sell for less than $45,000.

An hon. Member: Perhaps a small condominium.

Mr. Danson: I rise on the same question of privilege, Mr. Speaker. I think the hon. member has put his question of privilege to place allegations on the record which I think should not be allowed to stand, as was the case with the previous reports. I have sent the hon. member a newspaper advertisement showing condominium housing and row housing. If the hon. member is going to delude voters in

his constituency into thinking that inexpensive single family dwellings on inexpensive lots in major municipalities around Toronto are still here, I think it is a delusion.

Some hon. Members: Oh, oh!

* * *

PENITENTIARIES

ST. VINCENT DE PAUL—LETTER REQUESTING VISIT BY JOURNALISTS TO CELL BLOCK ONE—METHOD OF SELECTING JOURNALISTS

Mr. Erik Nielsen (Yukon): Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Nielsen: It is always nice to know that one is welcome among friends.

Some hon. Members: Hear, hear!

Mr. Nielsen: My question is for the Solicitor General, and it is supplementary to one which was asked by my colleague, the hon. member for Hamilton-Wentworth. I should like to establish what is in the mind of the minister, if anything, in connection with his reply that some members of the press would be admitted to examine cell one and cell one conditions. The question that the press has been putting to him is whether they will be permitted to examine the conditions at cell one, and if there will be a selection, how will that selection process be carried out by the minister. Will all members of the press be invited to visit the cell, if they so please, or will they be selected so that only certain members will be allowed to visit?

Mr. Turner (Ottawa-Carleton): You can't get them all into the same cell.

Hon. Warren Allmand (Solicitor General): Obviously we cannot allow all the journalists in cell block one—it would not be big enough to hold them.

Mr. Turner (Ottawa-Carleton): Get them in there and keep them.

Mr. Allmand: But we are following a precedent made a few years ago when there were some allegations with regard to one of our institutions. In that case we invited the leading newspapers of Montreal to send anybody they wished to visit the institution. We will do the same thing in this case.

Mr. Dinsdale: I rise on a point of order, Mr. Speaker, in reference to another example of concealment of information on the part of the ministry. Yesterday, answers, or what purported to be answers, were tabled in reference to several questions. Two questions were submitted by me, Nos. 525 and 526, and another two by the hon. member for Rocky Mountain, questions 159 and 388. The reply from the government in all cases was that the government does not maintain records which would enable it to trace the subsequent careers of those who at one time served ministers in the capacities listed. In order to answer this question, the answer goes, it would be necessary to review the personal file of every individual employed in the public service of Canada. Obviously, that is false because all that is necessary is to review the files of those who have worked in the offices of ministers, and this is a task that is relatively simple. Our concern in putting these questions is simply that the government is bypassing the Public Service Commission and in its efforts is politicizing the public service of Canada.

Mr. Alexander: I rise on a point of order, Mr. Speaker. The Minister of Labour recently indicated, I believe, that there was a negotiated settlement, temporary or otherwise, regarding the Canadian Brotherhood of Railway Workers. I wonder if he is aware of the fact that according to the Ottawa *Journal* of today's date there are still some 235 CN employees on strike.

Mr. Speaker: Order, please.

Mr. Alexander: I resent the attitude of that gang over there. I was going to assist the Minister of Labour, but the government members cannot understand that.

Some hon. Members: Oh, oh!

Mr. Speaker: The Minister of Transport seeks permission to revert to motions for the purpose of tabling some documents. Is that agreed.

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*Translation*]

TRANSPORT

TABLING OF REPORT ON FEASIBILITY OF CONSTRUCTING RAILROAD FROM ARCTIC TO ALBERTA

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, with the consent of the House, could we revert to motions, because I would like to table a report which the Opposition is looking forward to read. This is the report on the feasibility of constructing a railroad from the Far North to Alberta. I have here four copies in French and four copies in English.

[*English*]

Mr. Alexander: I wish at this point to refer to the settlement which the minister had indicated had been reached. At the same time I am not sure that he is aware of all the circumstances as indicated in the Ottawa *Journal* of today. Apparently there are some 235 CN employees still on strike. There is no staff at the Ottawa Station or Walkley yard. Ticket sellers, redcaps, baggage, freight and express handlers, have all left to hold meetings.

Mr. Speaker: Order, please. The question period is concluded. The hon. member may have a further follow up question, a supplementary question, or indeed is endeavouring to assist the minister to clarify his earlier statement, although that may be fortuitous on his part. The question period has come to a conclusion and I can

scarcely regard further questioning of the minister on the same subject as a point of order at this time.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I should like to find out from the government House leader what business we will be able to process as rapidly as possible so that we can get to some important measures after the budget.

Mr. Sharp: Mr. Speaker, today I hope that we will be able to deal expeditiously with three bills: Bill C-13, the Northern Canada Power Commission Act amendment, Bill C-17, the Army Benevolent Fund Act amendment, and Bill C-18, the Fire Losses Replacement Account Act amendment. After that is concluded we will return to the consideration of Bill C-32, the Petroleum Administration Act, which, after receiving second reading, will be referred to the committee of the whole.

Tomorrow we shall consider Bill C-27, the amendment to the Customs Tariff. Tuesday, November 12, and Friday, November 15 will be allotted days under Standing Order 58. Next week, we shall resume consideration of Bill C-32. Other items which are likely to come up in the near future are Bills C-4 and C-22.

● (1510)

Mr. Speaker: The hon. member for Nickel Belt on a point of order.

Mr. Rodriguez: Mr. Speaker, earlier this afternoon I rose on a question to the Minister of Industry, Trade and Commerce and quoted some figures. The hon. member for Hastings on a point of order sought to correct the figures I used. I want to point out that I was using the figures for raw sugar landed in Canada and I believe the hon. member for Hastings was talking about the price for refined sugar.

Mr. Speaker: Orders of the day. The hon. member for Winnipeg North Centre on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, with respect to the weekly announcement of the Business of the House may I ask the President of the Privy Council a question. Will he at an early date, or will the Minister of Veterans Affairs with the approval of the government House Leader, be introducing a motion which I am sure can be passed without debate, giving a term of reference to the Standing Committee on Veterans Affairs so that that committee can hear certain veteran organizations.

Mr. Sharp: Mr. Speaker, I can assure the hon. member we will give sympathetic and urgent consideration to his request.

Mr. Speaker: Orders of the day.

[Mr. Speaker.]

GOVERNMENT ORDERS

[*English*]

NORTHERN CANADA POWER COMMISSION ACT

AMENDMENTS TO CONSTITUTION AND POWERS OF COMMISSION

Hon. Mitchell Sharp (for the Minister of Indian Affairs and Northern Development) moved that Bill C-13, to amend the Northern Canada Power Commission Act, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

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

Some hon. Members: Agreed.

Mr. Erik Nielsen (Yukon): Mr. Speaker, we are not going to oppose this motion provided we can obtain an assurance from the government House leader that we will not be impeded in calling those witnesses in committee whom we on this side of the House consider essential to the clause by clause examination of the bill. If we can have that assurance now, there will be no problem in giving the bill second reading now and sending it to committee; but we do not want to encounter, in committee, a rejection of the request to call witnesses by the government majority on the committee.

Mr. Sharp: Mr. Speaker, I am not in a position to commit hon. members. Members of the committee are all members of the House of Commons, just like my hon. friend, and would not want to receive instructions from me.

Mr. Nielsen: I am sure, Mr. Speaker, that the government House leader can go so far as to say he will prevail upon his colleague the Minister of Indian Affairs and Northern Development (Mr. Buchanan), and perhaps even the chairman of the committee, to assist in the meaningful work of the committee by providing that there will be no impediment to the calling of witnesses. We are prepared to hasten the bill along by giving it second reading now, as long as we can be given that assurance.

Mr. Sharp: Mr. Speaker, of course I cannot give assurances on behalf of other members of the House. I will see that sympathetic consideration is given to the request of the hon. member, but I am in no position to commit my friends on this side of the House or those on the other side.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

ARMY BENEVOLENT FUND ACT

AMENDMENT TO GIVE BOARD AUTHORITY TO MANAGE OTHER FUNDS

Hon. Mitchell Sharp (for the Minister of Veterans Affairs) moved that Bill C-17, to amend the Army Benevolent Fund Act, be read the second time and referred to the Standing Committee on Veterans Affairs.

Motion agreed to, bill read the second time and referred to the Standing Committee on Veterans Affairs.

* * *

FIRE LOSSES REPLACEMENT ACCOUNT ACT

AMENDMENT TO EXTEND APPLICATION OF ACT

Hon. Mitchell Sharp (for the Minister of Indian Affairs and Northern Development) moved that Bill C-18, to amend the Fire Losses Replacement Account Act, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

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

Some hon. Members: Agreed.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I seek the same kind of assurance from the government House leader, namely, that he will speak to his colleague the Minister of Indian Affairs and Northern Development (Mr. Buchanan) along the same lines as my representations on Bill C-13.

Mr. Sharp: Mr. Speaker, in the spirit of co-operation and friendship which I extend to the hon. member on his return to the House, I give that undertaking.

Mr. Baldwin: Parliament is alive and working.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

* * *

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

The House resumed, from Monday, November 4, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade, be read the second time and referred to committee of the whole.

Oil and Petroleum

Mr. Bob Brisco (Kootenay West): Mr. Speaker, prior to calling it ten o'clock on Monday last I had expressed my concerns and those of my constituents on the issue of resource taxation and the groundwork that this legislation lays for the forthcoming budget proposals of the Minister of Finance (Mr. Turner). While recognizing the need for the paramount position of the federal government in national issue areas such as energy, it has become increasingly evident that the intent of the government is to supersede innately provincial responsibilities.

Moreover, to do so by confrontation can only serve to further damage the economic climate necessary for the resource industries to reinvest in this country. Without the necessary co-operation and co-ordination of policies between the provincial and federal governments, we will continue to see the decline in exploration as witnessed in western Canada by the departure of approximately 28 per cent of the heavy duty capacity oil drilling rigs. The result of this, coupled with continued uncertainties over taxation, the lack of concrete energy policies, aggravated by continual intergovernmental quarrelling, is that resource industries can hardly be expected to remain and continue to reinvest in so hostile an atmosphere. In the end, communities such as I represent in Kootenay West, whose lifeblood is based on the resource and energy related industries, will suffer.

Mr. Speaker, I cannot help observing that the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) could not address himself to this bill without reference to government takeover of companies now drilling for oil. The hon. member wants the federal and provincial governments to drill for oil. With his party's policies now being demonstrated by the Saskatchewan government, it will not be long before that will be precisely the case, because nobody else wants to drill for it. Now that the Saskatchewan drilling rigs have left for the Dakotas and elsewhere, where is the technical know-how, the skill and experience to do the job? That is the very thing this nation neither needs nor wants, namely, another massive bureaucrat created from the monster of nationalization.

Mr. Speaker, many members have expressed grave concern about the constitutional validity of part III of Bill C-32. Certainly I have expressed doubts and concerns, and I urge the Minister of Energy, Mines and Resources (Mr. Macdonald) to demonstrate an understanding of our concern and to recognize that what we in opposition are really saying is that this is a good act; just clean it up a little. We are saying that we support the minister's good intentions. This bill will benefit Canadians, but just as surely as attempts were made in this House on Tuesday to challenge the authority of the Speaker, so part III challenges the authority of the provinces. It is confrontation without consultation, and no good will come of it.

● (1520)

When the people of Canada—who are also the people of the provinces—realize they have been had, they will remember four years hence. I further state that this feeling of national frustration will increase after the Minister of Finance brings down his budget—a budget that I predict will be a further erosion of the British North America Act, a further erosion of the oil and gas industry in Alberta, a further erosion of this industry in Saskatche-

wan, and it will give the mining industry of British Columbia a final shove on the slippery slope of socialism whereon it has already commenced its downward slide. That, Mr. Speaker, in broad terms is the industrial condition. What about the provincial governments and federal government confrontations? I can hear the constitutional battle; this House and all provincial legislatures will ring with the sour notes of bitterness and alarm.

Finally, I would end with a question. In the past few months we have witnessed the uncertainties created in the poultry industry and in the eyes of the consumer over the subject of rotten eggs. The government has responded with a review, a study of the problem. In fairness, we must await recommendations regarding this unsavoury problem before, hopefully, solutions are implemented. For over a year we have witnessed uncertainties in the beef industry. In many cases these uncertainties have been calamities—calamities to cow-calf operations and calamities to the sensibilities of Canadians viewing the slaughter of 600 calves. The government has responded: we will get a review of the beef industry. Again, in fairness, we must await recommendations before, hopefully, solutions are effected.

But once Bill C-32 becomes law and still contains the constitutional glove in the face, part III, how will this government respond? What possible review, what possible recommendations will it make that will not leave the bitter taste of doubt and mistrust in the provinces of this nation. And as an extension to that question, and speaking to the future, I ask, what possible review and what possible recommendations will this government make if the Minister of Finance further erodes federal-provincial relations with a raw resources taxation policy that may well break the back of the mining and petroleum industries of Canada? Let us have an energy policy, Mr. Speaker, but an energy policy that the minister can sleep with, that the opposition can agree with and that governments and the people can live with.

I note from the Ottawa *Journal* of Thursday, November 7, that the Minister of Finance is now expressing concern regarding the fouled-up federal equalization formula. The minister said he will be presenting a proposition. It has been my experience that every time I have heard a proposition, somebody is had. In this case it will be the provinces. I note, further, that the Minister of Finance is thinking in terms of a short-term arrangement. That, too, sounds like a proposition and a further indication of the failure of this government to develop long-term planning. Again we see, according to the press, the further probability of federal-provincial confrontation. What future propositions will the Minister of Finance and the Minister of Energy, Mines and Resources have in store both for the provinces and for the people.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, today we are considering Bill C-32, a bill to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade. This bill is similar to the one introduced last April. Since then, conditions have changed. However, I still feel that some of the powers proposed in this bill should not be granted. I feel now as I did when I last spoke on this legislation.

Before commenting on any specific clause, may I point out that I have asked the Minister of Energy, Mines and Resources (Mr. Macdonald) and the Minister of Indian Affairs and Northern Development (Mr. Buchanan) questions concerning the export tax on oil produced from lands owned by Indian bands. I refer particularly to Alberta, although this matter applies also to other provinces. So far my questions have been ignored.

In September, 1973, the government introduced an export tax on oil. It promised to give back 50 per cent of the tax to the producing provinces. The other 50 per cent was to be held in the federal treasury, to be used for research in resource development. Subsequently, the government realized that it was levying the export tax on oil produced on Indian lands. That tax money was accumulating in the federal treasury. Although the federal government had collected the export tax from October, 1973, to April 1, 1974, the Indian people have not had the benefit of one dollar of that tax. I raised this matter in my speech of April 8 when we were considering the previous bill, and the minister said he would look into it. Eight months later the money remains in the treasury. At least, I hope it is still there. I do not know how many millions of dollars are there for the benefit of our native peoples. Perhaps the minister will clear up this matter either in the question period or in committee.

When is the government prepared to distribute this money to the Indian bands? Rightfully it is theirs. It will help them to build houses, to buy machinery, to raise their general standard of living and, as in my riding, to purchase the equipment necessary to farm their lands. This would mean they would no longer need to rent land. I submit that although the future development of the tar sands will benefit our Indian people, the bulk of the benefit will go to the rest of Canada. The tax money referred to belongs to the Indian people. They should be allowed to invest it as they see fit in order that they may improve their prospects. As the government has been tardy in turning over this money to our Indian people, it should, when it does pay it back, pay it back with interest accrued for the last eight months. One could argue that the tax collected since April 1, 1974, with respect to oil produced on Indian lands should be returned to our Indian bands. The amount, insignificant on the national scale, is most significant to the Indian people of this country.

The government, in its last budgetary proposals, wanted royalties paid by oil companies to provinces to be not deductible from income tax which those companies might owe the federal government. In essence, that proposal would have resulted in double-taxation of oil producers. Canadian oil and gas companies would pay income tax on moneys collected as royalties by provincial governments. Nowhere else in the world is a company required to pay tax on royalties it pays to a government. Ignoring the constitutional ramifications of the foregoing, which others have dealt with, let us examine how the $11.70 per barrel of oil is broken down. The federal government collects, at present, about $5.20 per barrel in export tax. The provincial government collects $2.60 per barrel as royalty. This leaves the producer with $3.90, $1 of which is consumed in

lifting and overhead charges. The producer is ultimately left with $2.90 a barrel, which is the total amount of money available to him for the purchase or lease of acreage, exploration costs, paying the hundreds of small, independent companies to drill the wells, investment in new facilities and, of course, profit.

● (1530)

Should the producer be required to pay a tax on the provincial royalty, the breakdown would be as follows: $5.20 would still go to the federal government as an export tax, $2.60 would still be the provincial royalty. However, there would be $1.96 in income tax, $1.44 of which would go to the federal government. The provincial government would collect an extra 52 cents as its share. This would leave the producing company with $1.94, out of which $1 is taken for overhead and lifting charges. In the final analysis, if this bill is passed the producing company will receive 94 cents to cover all the costs I have mentioned, out of $11.70 for a barrel of oil. That is a mere pittance.

In order to find new oil, oil companies must go to the peripheral parts of the provinces, such as the tar sands in the Athabasca area of Alberta, and the Arctic. They say that to find new oil costs between $3.50 and $6 a barrel. Admittedly, they have old oil which they found at a much lower cost. However, when they average these costs they simply cannot make it on 94 cents a barrel. If the Minister of Finance (Mr. Turner) reintroduces this budgetary measure, the producing companies will receive much less money than at present. This is a matter of grave concern to provinces which are producing oil and natural gas.

Because of the lead time necessary, we must immediately move to construct transportation and production facilities to bring oil and gas to the markets of this country. Capital investment is needed for this development. In the event that the profit margin of the producing companies is substantially decreased, the oil companies will be forced to move out of exploration and go to countries which provide the incentives that so many are now providing. At the moment Canada, at current rates of production, has enough developed, recoverable resources of oil and gas to last between 10 and 15 years. These recoverable resources are estimated to account for only one-third of the oil actually in place. It is possible to guarantee 100 years of oil needs and 250 years of gas needs through coal gasification, and so on. The oil sands of Alberta are estimated to contain 300 billion barrels of oil easily recoverable by the mining method, and perhaps three times that amount through new technology.

Even given the fact that energy demands will increase from present levels, and consumption will double, the resource base is sufficient to ensure that Canada will not run short of energy for many decades. However, only through exploration can such a long-term supply be guaranteed. Without this exploration Canada will face oil shortages in the future, not because of lack of reserves but because of short-sighted policy. Smaller, independent companies recently have been playing an increasing role as explorers in western Canada. These companies do not have sufficient internal cash flow to undertake the required exploration; they, necessarily, rely on capital from investors. But the capital will not be forthcoming should a climate of relatively unstable legislative and regulatory conditions prevail. The indecision reflected in government policies concerning an energy policy, and frequent changes to existing legislation, tend to make investors wary of possible future changes.

Other countries, notably the United States, are providing constant incentives to stimulate domestic exploration of oil and gas and to further research development with regard to other possible sources of energy. Proposals for restrictive tax changes are being sidetracked in the U.S. and Americans hope that by 1980 the country will be self-sufficient in its energy supply. If royalties are subject to taxation, significantly more money will be paid in income taxes from the profits earned by oil companies; little will be spent on exploration from retained earnings because the return on investment will be relatively insignificant. A loss of investor confidence will result and will preclude raising funds from Canadian or outside sources.

Surely Canada should follow the example of other nations by allowing the producing companies their present production income. Only this will encourage further resource development. The producing provinces have the right to benefit from their resources. In Alberta, one-third of the population depend on the oil industry, directly or indirectly, for employment. The province could not afford to lose this industry. If royalties are declared no longer tax deductible when the budget comes down, compensation will have to be made to the companies by lowering the royalty rate.

A large portion of the moneys the province collects as royalty must be used for the development of new industry and alternative sources of employment for the time when conventional oil supplies run out. For example, the Leduc field, discovered in 1947, lies entirely within my constituency. It provides employment for many people in the area, and these people are genuinely concerned about the future when the oil supply is depleted. Many are raising families and would like their children to remain in the area. Consequently, it is imperative that the province of Alberta develop new industries in the region, industries that will provide alternate sources of employment when the oil supply exhausts itself.

However, even given the fact that the government of Alberta will, in the face of budgetary proposals, be forded to lower the royalty rate, it may perhaps be too late to assuage the damage. Because of the uncertainty already created by the May 6 budget of this year, and in view of the possible imminent budgetary measures imposing taxation on royalties, the industry may disappear before it can be saved by the provinces.

I strongly feel that there is a dangerous precedent being set in the price-fixing proposals for oil and natural gas as outlined in Bill C-32. The government is seeking to wrest resource control from the producing provinces by giving itself the right to fix prices with or without provincial agreement. For example, should a province withdraw from the agreement or should the agreement be deemed ineffective in the opinion of the governor in council, the federal government may then, unilaterally, by regulation establish the price of oil—clause 36—and natural gas—clause 52—in that province. Surely this represents an infringement on the jurisdictional rights of the provinces. It is questionable how far a federal government may go in

establishing price mechanisms affecting the provinces. What the bill really says is this: I do not wish to play the game if I cannot win.

● (1540)

Part V of the bill, in particular clause 89, gives the government the right to appoint persons who shall have the authority to enter premises and examine and seize records of any company or province importing or exporting oil and natural gas. This provision, again, serves to reinforce my submission that the federal government is attempting to gain control of matters which should rightly rest with the provinces. Not only are the rights of the provinces infringed upon by the legislation presently before us, but total disregard of this House and the parliamentary process is evident in the contents of Bill C-32. The bill contains 95 clauses, 30 of which would confer complete discretionary power on the government, the governor in council, the minister or various boards. Specifically, there are 11 clauses granting power to the governor in council to act by regulation and by order in council. These wide regulatory powers should rest with the House rather than the government.

The government wants freedom at all times to establish an export tax on oil. As a result, the industry would be subject to a tax which varied from month to month according to government whim. The government is also seeking a free rein to grant exemptions from tax to anyone it wishes. That is in clause 12. Surely if these powers are granted, they should be subject to close scrutiny by a parliamentary committee, which in turn would present its findings to the House of Commons.

Mr. Alexander: Hear, hear!

Mr. Schellenberger: The imposition of an export tax, particularly one which fluctuates in accordance with the whim of the government, poses a threat to the nation as a whole. It is a dangerous attempt to secure all the finances possible from other countries in order to subsidize our own industry. The minister has stated that the export tax against the United States should be increased. Has he stopped to think of the ramifications of such a move, or of similar moves, upon the economy of Canada? Other nations are likely to react to taxes in a reciprocal fashion. Take, for example, the case of fishmeal from Peru or bauxite from the West Indies. Nations have examined the oil pricing of the OPEC countries and in response have set higher prices for their own rare commodities, even though the price at which they were previously selling those products to Canada was bringing in considerable profit.

Because the imposition of an export tax results in an unstable market, with consequent insecurity of employment and indeterminable profit margins, companies are already moving their expertise elsewhere. There are, in Canada, approximately 360 drilling rigs operated by 55 contracting companies. Of these, 341 rigs and 47 companies are located in western and northern Canada. The drilling contracting industry provides an essential service to the petroleum companies, and any policy designed to squeeze justifiable profits from oil companies will have a more severe impact on independent companies than on the five large international firms. This means the Canadian drilling industry will suffer severely, because it is the smaller, independent companies which carry out the bulk of the drilling operations. Only incentives for increased markets and a higher profit margin would enable these companies to attract the necessary funds to carry out their high level of activity. On Friday, November 1, the *Globe and Mail* carried an article which read:

> A total of 39 drilling rigs has been taken out of Canada this year to work in the United States and overseas along with about 250 key people who own or operate the units . . . Most contractors say they are leaving northern and western Canada because of the lure of substantially better financial returns elsewhere . . . The hardware is in growing demand in the United States where a rush to find new crude oil and natural gas supplies has brought into use almost that country's entire inventory of approximately 1500 land-based units. In addition, Middle East countries, particularly Iran and the Persian Gulf states, require more drilling rigs to develop their production potential. The economics of operations outside Canada are often better . . . Some contractors say they are "fed up" with uncertainties over taxation and energy policies in Canada. He (Alberta Premier Peter Lougheed) has laid the blame at Ottawa's doorstep for failing to bring about a climate conducive to resource development.

Canada must ensure that her resources are competitive on the international market. We cannot afford to hoard resources which are in plentiful supply, nor can we afford to leave them undeveloped. Mexico has recently found fresh sources of oil, there is great potential from Sweden and Norway in the reserves beneath the North Sea, and Russia and China are self-sufficient in petroleum resources. But Canada, which is probably the most wealthy resource country in the world, whether on a per capita basis or otherwise, may find herself a net importer of oil in as little as eight to ten years. As I mentioned previously, conventional oil supplies already proven will run out in approximately 13 years. If the federal government continues to socialize the industry, we may find ourselves a have-not energy nation rather than one possessing sufficient energy resources to assist underdeveloped countries. Approximately 12 OPEC nations have been discussing the possibility of rationing petroleum and petroleum products for internal consumption in an effort to assist other nations in the event of a crisis arising. If the government fails to provide incentives for the further development of our resources industries, Canada may be one of the needy nations seeking help from other, more developed countries.

I would like to speak for a few moments about the export tax provisions affecting natural gas as outlined in clauses 5 and 7. Natural gas has always been a strictly provincial commodity. Never has an export tax been charged on it. The imposition of such a tax, and the price fixing mechanisms covering gas as outlined in clause 52, are further examples of the government's trend toward socialization of our natural resource industry and the assumption of virtually complete control over it. Is this indicative of a move to gain control over all sources of energy? Will an attempt soon be made to control the pricing policies followed by the hydroelectric power industries of Ontario and Quebec and the coal industries of Ontario and the prairies?

● (1550)

Considerable sums of money are being taken from the provinces, yet they still have the expense of maintaining efficient health care and educational facilities as well as

healthy resource industries. The province of Alberta is showing itself to be a great Canadian citizen by giving up $5.20 per barrel of oil, almost $6 million per day, or $1.3 million per year, to eastern Ontario. Do not misunderstand me: we are giving it graciously to our fellow citizens east of the Ottawa Valley. The wealth of others is of great concern to us.

Before closing I should like to mention one other matter. This party asked that a pipeline be constructed that would secure a supply of energy to eastern Canada and prevent the outflow of money to the coffers of the already overrich. This pipeline should have been built long ago. Its existence would have eliminated much of the discussion in which we are involved today and it would give us security of supply in the event of another energy crisis. In closing, I would offer a word of caution and advice to the government. Do not lose sight of the fact that past experience has proven that free enterprise and initiative are better alternatives to the development of a country than the socialization of its successful industries.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I listened with a great deal of attention to the remarks of the previous speaker. Bill C-32 concerns the use of the exportation of our natural resources such as gas, oil, wood, any sector of our economy. It clearly shows that the government cannot make its own decisions, and that it has to rely on the scientific and financial advice it receives from the United States.

Mr. Speaker, I believe that Canada should tell to the United States and to any other country: "We are our own men. We have natural resources and you envy us for this." They do envy us because they do not have such resources. They are equipped for processing products and we are taken advantage of by those who purchase our raw materials.

Mr. Speaker, I believe it is better to tax Canadian exports to the United States than to tax Canadians. In any event, we note that the United States seem to have complete control over the development of our natural resources, and not only over oil and oil products.

When we listen to Premiers Barrett of British Columbia, Lougheed of Alberta, Blakeney of Saskatchewan and Schreyer of Manitoba, we are astounded to hear that they are threatening to separate from Canada and join the United States if we do not accept their conditions.

I am as much in favour of the Western provinces as I am of the Eastern provinces.

Some 30 or 40 years ago, when there was a drought in the West and oil had not been discovered yet, the Eastern provinces were sollicited, taxed and forced to accept certain conditions to help the Western provinces who were suffering most terrible hardships.

Mr. Speaker, we did not object to that, even though we heard some people say: "We are tired of supporting the West."

Nowadays, we hear the same type of people in the West say: "We have oil." Not so long ago, Mr. Harridence, a separatist from Alberta,—I appeared on television with him in Toronto—was saying:

[*English*]

"Let those eastern bastards freeze in the dark". Those were the words from your province.

An hon. Member: No, they were from Alberta.

Mr. Caouette (Témiscamingue): They speak in exactly the same way as the NDP out there.

[*Translation*]

Mr. Speaker, the leader of the New Democratic Party (Mr. Broadbent) calls me Réal. At least, he knows my first name, as he knows also that I am right, because the situation is the same in Saskatchewan, not in the oil industry but in the potash industry. That government said: "Let us control it". Effectively it took over the industry, but prices are now three times higher in Saskatchewan.

[*English*]

An hon. Member: What about cars? Tell us about cars.

Mr. Caouette (Témiscamingue): The same thing applies. Why aren't you going to Europe to buy yourself a car? They are all built in the United States.

[*Translation*]

Mr. Speaker, I have no objection at all to the Premiers of those provinces standing up and saying: Well, we have resources and Eastern people must suffer because we do have those oil resources.

Mr. Speaker, I never heard anything like this in the province of Quebec, except from the mouth of separatists: Let the Westerners starve, we have too much fish, but let them die and dry up, because we are overproducing.

In 1929, 1930, 1931, 1935 and 1936, that is during the Depression, we in Eastern Canada have made every sacrifice to maintain farmers in Western Canada, and we did it without grumbling.

● (1600)

An hon. Member: We still are!

Mr. Caouette (Témiscamingue): We are still making sacrifices without grumbling. Today, we hear these people from Alberta, like Mr. Harradence, a lawyer, trying to teach us something. And a lawyer is supposed to be intelligent.

An hon. Member: He is supposed to!

Mr. Caouette (Témiscamingue): But he is not, that is clear, if he says that he was glad to let Easterners freeze in the dark.

An hon. Member: Tell that to Mr. Wagner.

Mr. Caouette (Témiscamingue): Repeat that.

The hon. member for Saint-Hyacinthe (Mr. Wagner) is not here at the moment and I want to stay in order.

Mr. Speaker, I cannot understand that kind of attitude. There are in Canada so much space and so many resources, enough to meet the needs of all Canadians, not only in one region, but all across Canada.

In Quebec, we have huge hydraulic resources. If we said to Ontario: "Listen, you do not have any, so we are going to let you die in the dark. We are not going to sell you any more electricity, because you are Ontario." We could say the same to the United States, because we export electricity there too.

Mr. Harradence, or others who think like him, should realize that if I had to resort once again to candles, to rags soaked in pig or beef fat for lighting I would be one of the first who would get angry and say to Quebec: "Give us electric power, give us power".

Mr. Allard: Give us "juice".

Mr. Caouette (Témiscamingue): I shall say like my colleague from Rimouski: "Give us 'juice'." That is right.

Mr. Speaker, I do not understand the position of those who say: "We are against the bill because it has been introduced by this government." What would the Progressive Conservative government do in its place? I followed in 1962 and 1963 with my colleagues then sitting in the House the struggle led by the Premier of British Columbia against Ottawa to obtain recognition of a treaty or trade agreement between the United States and the British Columbia government, namely the Columbia River Treaty.

The then Premier of British Columbia, W. C. Bennett, led the struggle against the then Prime Minister, the right hon. member for Prince Albert (Mr. Diefenbaker) and pursued it under the Pearson administration in 1963 and 1965. It lasted seven years and it was recognized afterwards that the Premier of British Columbia was right. The Prime Minister of Canada, the President of the United States as well as the Premier of British Columbia then signed the treaty which is still in force.

Mr. Speaker, the natural resources belong to a province. Alexandre Taschereau, Maurice Duplessis and Jean Lesage were all for it and so is Robert Bourassa. The natural resources belong to a province, but it does not mean that the province must turn away from the others. We live in the same country, so the provinces should agree about their respective natural wealth. We need the gas of Alberta.

An hon. Member: Even in Saint-Hyacinthe.

Mr. Caouette (Témiscamingue): Even perhaps the hon. member for Saint-Hyacinthe is now heated by gas which comes from Alberta.

Mr. Speaker, we may discover within two or five years oil deposits in the Atlantic as extensive as those in Alberta or British Columbia.

They say that there might be enough oil in the Alberta tar sands to meet our needs for the next 300 years. Who can say that, six months from now, in view of the search being carried out in the Atlantic and the Gulf St. Lawrence, there will not be, available to us, reserves easier to tap than the Alberta tar sands?

How short-sighted Messrs. Blakeney, Lougheed and Barrett are! When, five years from now, nuclear energy is used, not to kill people, but to serve them, who knows, natural gas might very well fall out of use. I do not mean to say that this will necessarily happen, but it might. The coal mines in Western Canada, Nova Scotia, Cape Breton and elsewhere have been inactive for a great many years. Now, they are saying: We could use coal to make electricity. That is why they are trying to find openings on world markets for Eastern and Western coal; the day may come when we are unable to meet the demand for it.

Mr. Speaker, those are the facts of life, as far as energy is concerned: one year, you have enough, the next, you don't. This is not unique, for such is the case also in agriculture. Five years ago, they told cattle producers: "Your increasing production will be our salvation". Today they are saying: "We are in a mess now because you overproduced".

Faced with this dilemma, what are we going to do? Will the government make its position known, or will it let anarchy take over Canada? The same thing will happen in the farming and industrial areas, no matter the level of production or Bill C-32 which will impose an export charge.

I feel we should stop giving away our resources to the United States, saying: "Manufacture this material and rob us clean, selling it back to us whether at wholesale or retail prices".

Since we own the basic resources, Mr. Speaker, why not build our own plants to make manufactured goods and sell them ourselves? This would create jobs and replace the depression forthcoming clearly with prosperity.

Mr. Speaker, as I often say, iron ore is bought at Sept-Iles or Rouyn-Noranda at a rate of 2 or 3 cents per ton, and sent to the United States. It comes back afterwards in the form of cars, refrigerators, television sets, or any other manufactured product sold at prohibitive prices. The price of a car which was sold $2,000 two, three, or four years ago has nowadays climbed up to $5,100, while being made with primary products coming from the Province of Quebec or Canada.

An hon. Member: Dealers are the ones who make the profit.

Mr. Caouette (Témiscamingue): Finance companies, rather. The hon. member says to me that dealers are the ones who are making the profits. Mr. Speaker, I for one am a dealer, and I will produce my balances in order to prove beyond any doubt that the Trader's Finance Company is making at least five times more money than I am in my business, by financing while I provide the services. The company is not accomplishing any concrete work and it makes profits, while we do all the job and we are the ones who lay out the money. This is where the difference lies.

Mr. Speaker, such things happen in the automotive industry, as one of my colleagues just said, and the situation is the same as far as energy production is concerned. We sell our energy to the United States, telling them: "Do something with it, then sell it back to us." This is where we get lost in assumptions of all kinds. What they do, we can do it in Canada. We have nothing to learn from them. All a responsible and sovereign government has to do is to make sure that our raw materials are put at the disposal of our secondary industries here.

Instead of giving them to the United States, let us sell them materials and manufactured products so that our dear friends, the Americans, may proclaim loudly that Canada allows them to go on living. These guys down there cannot live without the natural resources of our country. If we want to become masters in our own house, I think this bill represents a step forward. Let us say to the Americans that we are willing to sell to them but that they will have to pay us. Let us stop them from suckling Canadians. Let us tell them that they will have to pay for the work done by Canadians to serve them the Americans.

It is not because we have a grudge against them or because we hate them. No, we like them. It is because we care for them that we ask them to pay for what they take from Canada. Pay for the work done by Canadians, pay so that workers, farmers may be satisfied; pay so that Canada may be itself and so that the government may be recognized as sovereign.

● (1610)

[*English*]

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I cannot take part in this debate without making a brief reference to the comments just concluded by the hon. member for Témiscamingue (Mr. Caouette).

[*Translation*]

As it is not right to say that Mr. Lévesque speaks on behalf of the hon. member for Témiscamingue (Mr. Caouette), it is not right to say that Mr. Harradence speaks on behalf of all of us Albertans, especially if he talks as mentioned by the hon. member.

[*English*]

Having said that, I wish to advise hon. members of my concern about the danger that exists, in the sentiments referred to by the hon. member for Témiscamingue, in that in my native province of Alberta feelings might become extreme and serious if there is a continuing belief that it is the repeated thrust of federal policy to go against the interests of that province—just as there was the danger in the province of Quebec of civil unrest spreading when there was a feeling that federal policy was designed to go against the interests of that province. It is important that we recognize, in dealing with the legislation before us, that there is a real feeling that the major thrust of this legislation is directed against the two producing provinces, Alberta and Saskatchewan. There are other aspects of the bill, of course, but there is a real sense that the constitution is being changed in an effort to diminish the authority now enjoyed by those two producing provinces. If that sort of thing continues, I think members from my province, and probably those from Saskatchewan, would agree that there is a danger that we will find ourselves in a situation where the determination to remain a creative part of the Canadian confederation will wane in that part of the country.

I do not intend to take up a great deal of time in this debate, particularly because many of the technical aspects of the bill have been discussed and many of its implications, not simply for the petroleum industry and the province of Alberta but also for the people who work in the industry and count upon the capacity of Alberta to industrialize in a secondary industry way. I share the view expressed by my colleague, the hon. member for Wetaskiwin (Mr. Schellenberger), that there is a real sense of insecurity now among my constituents with regard to living in the oil patch, as to how long they will be able to continue living in the towns where they are now, as well as how long the industry will continue to be there.

The point I wish to make with regard to this legislation is primarily with reference to the degree to which it represents an extension of federal power, an intrusion into the provincial domain. This bill, as has been noted by many others, is a change from the predecessor bill considered in the previous parliament. It is not, as was the other one, a temporary means to implement an agreement reached by heads of government. Instead, it is now a permanent means by which, to quote the minister himself at page 917 of *Hansard*, "the federal government will give itself increased powers". The excuse that the minister uses—he used it earlier in his remarks, as recorded at page 915 of *Hansard*—is that this extension of power is necessary "to provide for oil price restraint in situations where either such agreements cannot be reached or, having been reached, are terminated or are found not to be effective." The danger with that rationale is that it removes from the central government the incentive to come to agreement with the provinces on questions of this kind, and it also grants a most dangerous unilateral power to the federal government to act alone when agreements are not effective and consequently when it is in a position to use the increased power which it seeks in this legislation.

What we have here, when everything else is stripped away, is an attempt to acquire unilateral power to impose a price control system on a commodity regarding which primary jurisdiction has been vested in the provinces, under the Resources Transfer Act, since the 1930s. What is most frightening about this bill is that it does not stand alone: it follows similar action taken in the recent past and it sets a frightening precedent for the future, not only for the provinces directly attacked now, namely, Alberta and Saskatchewan, but for all provinces. The point has been made that this new, extended power would apply not only to oil and gas, and not just to Alberta and Saskatchewan, but to other resources in other provinces, at other times. What has perhaps not been emphasized enough is that this attitude of invading provincial jurisdiction is evident, not just in this bill but in other actions of the government, most notably actions concerning oil and gas but also potential actions concerning other matters over which the federal government has or might be able to concoct some kind of jurisdiction. It is important to note that this bill is part of a pattern of aggression against the petroleum producing provinces regarding the control of their resources. The point has been made several times, but I believe it needs emphasis here, that these are depleting resources and also they are the only means by which Alberta and Saskatchewan can develop the kind of secondary industry base which will ensure the maximum contribution of these provinces—provinces with great potential—to the strength and development of Canada.

I think I should mention, in passing, that another difference between this bill and the preceding legislation on this subject was considered in the last parliament is this: at that time there was general agreement about the need for some kind of *quid pro quo;* that if we were going to

legislate an agreement by which the producing provinces surrendered potential revenue, we would have to compensate the producing provinces by recognizing their needs in transportation and in industrial development. I regret that there appears to be no mention now of such *quid pro quo*, no mention of compensation in other policy fields for the money that has been lost by the producing provinces under the agreement to which this legislation is giving body.

I want to come back to the pattern of aggression that has developed against the producing provinces. It began with the export tax which, whatever its justification, was imposed in a way that was absolutely unjustifiable because it was done virtually without consultation.

Mr. Blais: Mr. Speaker, a short while ago the hon. member commented on the minister's speech as reported at page 917 of *Hansard*, from which he quoted the following words: "the federal government will give itself increased powers". However, he neglected to indicate that that particular sentence is preceded by a number of conditions before these powers will be given to the federal government. I think I should draw this fact to the attention of the House.

The Acting Speaker (Mr. Penner): The hon. member may feel that he wants to draw something to the attention of the House. However, in fact he is not gaining our attention on a point of order but is, rather, intervening in the debate.

Mr. Clark (Rocky Mountain): I am delighted to hear from the closest thing to a prairie member of the Liberal caucus who has become their instant expert on energy questions. I am also pleased to note that he has lost no time in learning the tactics of diversion that have been employed by members of the government party on the front bench, as well as in this bill. I say this because whatever conditions appear to be attached, and however many clauses there are in this legislation, the simple fact is that the bill constitutes an attempt to intrude upon the jurisdiction which was granted to the provinces in the Resources Transfer Act of the 1930s and it is a clear attempt to increase the powers of the federal government.

I want to continue, now that we have witnessed some excitement on the other side, with a review of the pattern of aggression, of which this is only the most recent part, which began with the imposition, without consultation, of an export tax a year ago. It is a pattern which was continued with the proposition of a tax on royalties in the budget speech. I make the point here that whatever the diversionary attempts of the Minister of Finance (Mr. Turner), the thrust of this proposed tax then, as it might be now, was not a question of revenue but of jurisdiction. It is not money that is at issue here; it is the question whether the federal government or a provincial government has the right to exercise a controlling influence over a national resource within a province. As was made abundantly clear by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) in his opening remarks on this bill, the use of the taxing power to try to accomplish other goals, particularly other constitutional goals, is contrary to the constitutional practice of the country.

[Mr. Clark (Rocky Mountain).]

● (1620)

Mr. Blais: Mr. Speaker, I wonder if the hon. member would permit a question at this time with respect to a statement which he just made.

The Acting Speaker (Mr. Penner): Order, please. Will the hon. member for Rocky Mountain (Mr. Clark) permit a question?

Mr. Clark (Rocky Mountain): Certainly, Mr. Speaker. I am delighted to indulge the hon. member for Nipissing (Mr. Blais).

Mr. Blais: My question is whether this power would cover distribution of a particular gas and the selection as to where it will be directed within the confederation.

Mr. Clark (Rocky Mountain): Mr. Speaker, I know that the hon. member has a great deal to learn about the constitutional questions involved here, but I thought he knew that question was settled as being within the federal domain. What is not settled, and is being threatened now, is the right of the provinces to enjoy primary authority, as enacted by this parliament in 1930, over natural resources. That is what is at issue in this second act in the pattern of aggression against the producing provinces, of which this bill is the most recent example.

I must say now that in light of unilateral imposition, without consultation, of the export tax, in light of the recognized although unstated goals of the proposed tax on royalties, we on this side of the House, and certainly members from Alberta, must entertain certain suspicions about the government's motive in renewing interest at this point in a formula for repatriation of the Canadian constitution. We have to ask whether the motive for this most recent announcement is, in fact, to repatriate the constitution or whether this might be another instrument of pressure by which the central government can attempt or threaten to limit the provinces.

It was, of course, this proposal for repatriation that was a major priority in the first major speech in this parliament by the Prime Minister (Mr. Trudeau). It is worth wondering why the Prime Minister thought it necessary to raise this question at this time, unless it was in the context of the continuing pattern of pressure that has been brought to bear upon producing provinces in relation to petroleum questions. I think it is clear that if the formula of the Victoria conference was now in force, in an emergency the government could threaten to use it against the producing provinces regarding their constitutional right in relation to natural resources, just as a threat was used in some of the more passionate speeches in the debate of a year ago. There was a suggestion in the press, although I do not believe there was in this House, that the federal government might be able to use its authority on matters in the national interest to intrude upon this particular responsibility, and perhaps they are going to make it part of the thrust regarding the question of repatriation.

At any rate, Mr. Speaker, the bill before us is the third part of the "triple whammy" being used against Alberta by this government. Whether repatriation is used as another weapon, this assault upon the resource provinces must have one of two motives. The motive must be, first,

political, to try to turn region against region for political purposes. I, personally, suspect that was one of the motives that inspired the predecessor of this legislation, and I have to say it worked; but had it been used by any other party it would have been severely criticized in the country. Second, the motive must be a simple ideological one, a view of federalism which is determined to build up the central power and to resist any effort by any province, even if acting within its own jurisdiction, to develop its particular strength without the outright approval or control of the central government.

There is, naturally, a different perspective on the petroleum question as between western Canada and the rest of the country. In most of Canada it is seen as a question of supply and price. In Alberta and other regions of the west it is also seen as the essential means by which we can industrialize. It is a sad fact of confederation that Ottawa paid little attention to western problems or potential for industrialization when we had no means of our own to accomplish that goal. Now that we have the means to accomplish the goal, there have been attempts to control resources and there has been insistence by the Prime Minister on participation in discussions between the provinces of Alberta and British Columbia and major foreign investors such as Japan. A continuing game has been played with freight rates and other transportation problems on which we can get no responsible answers. Now that we in the western part of Canada have developed a capacity for secondary industry, and consequently can define a regional identity within the context of confederation, Ottawa is clamping down.

The basic assumption of this pattern of acts and the legislation before us is that the provinces cannot be trusted; it is the assumption that provincial governments and legislatures are somehow less patriotic than this parliament or the federal government; the assumption that the tendency of the provinces on questions affecting the national interest inevitably will be to damage the national interest. That assumption of malice has two basic faults. First, there is no evidence that the provinces want to tear down the nation or damage the national interest.

Certainly, on the specific question which this legislation concerns, the question of supplies of petroleum and pricing policies, there is no evidence at all of an intention by the producing provinces to extort high prices from Canadian consumers or to act in any other way, at home or abroad, to hurt the national interest. Quite the contrary: the producing provinces, and perhaps Alberta in particular, have demonstrated clearly their commitment to reasonable prices and guaranteed supply for Canadian consumers and to responsible action abroad. Some petroleum producing regions of the world have recently used their resource wealth to hold up their customers. They have used petroleum ruthlessly, not as a lever in bargaining but as a threatening weapon. That has happened elsewhere in the world, creating an atmosphere of crisis. But it has not been done in Canada. The opposite has happened in this country. The producing provinces met with Ottawa and came to an agreement which many citizens of those provinces saw as not being conducive to their interests. They acted with the utmost responsibility. They have not offered threats, but have received them and, despite being threatened, have acted consistently in a way which demonstrates a basic and guiding commitment to the national interest. That is the first fault of this assumption of the malice of the provinces, which is at the basis of this bill. It is an assumption without evidence; indeed, it is an assumption which all the available evidence disproves.

The second fault is that this assumption, and the heavy-handed action that flows from it, offends and denies the very basis of Canadian federalism. The assumption offends our federalism because it suggests that responsible action by a province to improve its economy is harmful to the nation, while the contrary assumption of Canadian federalism is that the whole nation benefits from the development of the special strengths of our diverse provinces and regions. The logic of this bill would lead to a country in which all the important decisions were taken at the centre, where the only power of the provinces was to acquiesce. That notion is a denial of Canadian federalism. The action in this bill denies our federalism because, in effect, it amends the constitution, taking effective jurisdiction over resource policy away from the provinces which, under the law and the constitution, enjoy that jurisdiction.

● (1630)

It is a raid and, as other speakers have said here, could be just the first of several raids on several rights of several provinces. Indeed, it is almost certain that this raid will set a precedent, because this is an attack without provocation, a raid without reason except the reasoning which holds that federalism is dangerous. The resource provinces which are the object of this attack did nothing to deserve it, except to possess a depleting resource whose temporary value could be used to help broaden a local industrial base and help balance the industrial development of the nation. But what would happen if there were provocation?

I am not an admirer of the Minister of Energy, Mines and Resources (Mr. Macdonald). I think he has conducted a portfolio which requires diplomacy with complete lack of diplomacy. I genuinely do not know what inspires this attitude in the Minister of Energy, Mines and Resources. Perhaps it is a simple desire to add to his personal power. Perhaps it is an arrogance that suggests that only he and his fellow elitists in cabinet are competent to discern the national interest. Perhaps it is simple partisanship directed against provinces whose governments are of parties other than his own. Or perhaps he is simply obediently following his leader, the Prime Minister, who does have a philosophy about these things or, if philosophy is too grand a word, at least a bias.

The Prime Minister's bias is that every premier has the potential of becoming a Maurice Duplessis whom the Prime Minister learned to abhor. I suspect that the Prime Minister, in influencing the policies of the government, is haunted by the memory of Maurice Duplessis. I suspect that inspires his attitude to the province of Quebec. I believe that his attitude toward the provinces of Alberta and Saskatchewan is against their capacity to develop and establish their own strengths and identities as full partners within confederation. I am afraid that the Prime Minister equates strong regions with separatism.

An hon. Member: What does the hon. member know about Duplessis?

Mr. Clark (Rocky Mountain): That is a highly contestable view, but one that is being imposed on this country. Does the hon. member want information about Mr. Duplessis?

An hon. Member: Yes.

Mr. Clark (Rocky Mountain): He should consult the resident expert, the Prime Minister, when he returns. As I said, the Prime Minister's fear of federalism is a highly contestable view. It is one that is evident in this legislation and is being imposed upon parliament and upon Canada. There are some Canadians—a minority, I hope—who suspect the Prime Minister of following a calculated plan to turn the nation over to socialism or to some exotic goal. I do not believe that at all. However, I do believe that the Prime Minister is much more deliberate than he seems, and that the offensive against the petroleum producing provinces should not be seen as isolated or erratic.

The next offensive could be against other provinces, on other issues. Naturally, if that happened, some of those other provinces would be tempted to fight back, just as Alberta and Saskatchewan are tempted to respond now. That could lead to an era in which both levels of government spend their energies picking fights with each other. There are a lot of fights to pick, because there are a lot of fields far removed from natural resources, where there is overlapping jurisdiction or where one level of government could cause serious problems for another. There is agriculture, the fisheries, education, environment, native rights—the list is long. And if that kind of atmosphere develops, dominated by bickering and ill-will, it will cause trouble for all of us, diverting us from important problems of substance and inspiring more people and more regions to question the value of confederation.

We should remember, sir—and it is important for this House to remember—that if co-operative federalism is a two-way street, so is unco-operative federalism a two-way street. If it becomes the fashion to get bloody-minded, we could virtually immobilize this country as the current dispute over petroleum has already begun to immobilize the petroleum industry in Canada. But in viewing this escalation of conflict between levels of government, it would be wrong to focus on petroleum. Because if federal aggressiveness moves beyond the resources field—and there are plenty of areas where ministers who want to can find justification for interference as strong, or as weak, as the Minister of Energy, Mines and Resources has found here—the victims will not be big oil companies, which can find other fields to drill in other countries; the victims will be those Canadians who benefit from co-operation between governments and who suffer when that co-operation breaks down. They would include, for example, the Métis who are caught now in limbo between jursidictions and will be left there if Ottawa and the provinces develop an attitude of fighting instead of co-operating. It could affect educational television. It could affect agreement on freight rates and transportation policy.

We have in this bill a precedent for invasion of provincial jurisdiction for unnecessary reasons; indeed, perhaps simply for reasons which relate to the particular, frightened view of federalism possessed by the Prime Minister and expressed by the government. Members on the other side who are worried about making the nation work should worry about the precedent which, with qualifications, is clearly contained in the bill.

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, I believe that any look at the subject of energy in Canada requires, if conclusions are to be reached, a look first at the world scenario. In the near and medium term the growth in world energy demand must be met principally from oil and gas. Any review of events in the international energy markets during the past year would focus almost solely on this, one of the most valuable of commodities. Indeed, oil power is now being ranked in importance within the world community along with military power. It is not difficult to understand why.

The oil exporting countries will have earned about $100 billion this year, and next year's total could be as much as 10 per cent higher. It is estimated that by the end of this decade the exporting countries, OPEC, could have a surplus of gold, dollars, pounds, marks, francs and other foreign currencies amounting to $650 billion; by contrast, the present reserves of the United States are now $15 billion. This fantastic transfer of capital is currently the subject of the greatest dilemma the world has ever faced and it is placing almost impossible strains on the international monetary system.

While many of the oil producing nations are raking in riches, most of the underdeveloped nations of the world are doomed to move further into the depths of poverty with little chance of staying even. Mr. Speaker, at the present time this vital matter of oil pricing is very much the subject of international discussion, and the actions of Mr. Kissinger at the present moment are directed toward softening the stand taken so far by the OPEC nations as a group. Foreign oil prices will be influenced not only by world supply and demand balances, but increasingly by the policies of major oil exporting countries with respect to expansion of capacity and determination of production policies and the interrelation between them.

There are several very key factors in the whole matter of oil prices in the near and longer range future. These factors have very direct application to Canada as well as to other world consumers. The most significant of the factors may well be the future rate of growth in the demand for oil. This is now being affected by the present high cost in most countries. It is also affected, and likely to be even more so as time goes on, by the ever increasing efforts by consuming nations toward conservation programs and even rationing. France has been one of the first of the developed countries to act, and has set a dollar limit of about $10 billion on what it will pay for imported oil next year. This will represent a 10 per cent reduction in volume, at today's prices, and stringent conservation action will be needed to live with this reduction.

● (1640)

One particular country stands out amongst the world's producers—Saudi Arabia—by virtue of its huge resource potential. The actions of that country in either expanding its producing capability, shutting in its production or

adjusting its prices could well spell the course that producing countries and consuming countries alike will follow in matters of oil pricing and supply.

Hon. members may wonder why such consideration should be given this rather lengthy dialogue on world petroleum, and what effect this might have on Canada. I say that the formulation of Canadian energy policy cannot take place without regard to all of the complex ingredients in the world situation. I think hon. members will agree that the events of last winter and threatened shortages to Canadians, not to mention the harmful effects of higher prices, especially to the maritime provinces, brought home to many the seriousness of cut-offs in supply from those distant parts of the world. Indeed, security of supply is unlikely to be resolved for many years when one views the current powder keg in the Middle East.

The second and decisive key element in the petroleum game as it is played around the world is how quickly sources of production other than those of the Middle East and North Africa can be brought into production. This is the key, not only to our security of supply but also to long-range pricing. At the present time, exciting production possibilities are being developed in the North Sea, the north slope of Alaska and perhaps in Mexico as well.

As in most commodities in the marketplace, Mr. Speaker, nearly everything hinges on supply and demand. The demand in Canada can be reasonably well projected over a period of years to the end of this century. This will be significantly affected, of course, by conservation programs and as well by whether, in fact, we have available either from domestic sources or imported sources the desired supply. A look at projected demand in Canada, based upon a good degree of conservation, indicates that within the next 15 years Canadians will be consuming about three million barrels of oil per day, although if demand continues to increase as rapidly as it has in recent years this figure could be closer to four million barrels per day.

On the supply side, production levels from known reserves of conventional oil production will begin to decline in about 1978, and by 1990 will be below one million barrels per day, less than half the level of today's production. I emphasize, that is production of less than one million barrels a day, with needs in excess of three million barrels a day. One of the facts of life in the energy business, however, is that one cannot simply turn on a valve to start the oil flowing. Tar sands plants require some ten years from initial planning to production. Thus, oil to be utilized in 1984 must be in the planning stages right now. A number of members here may know that several companies are at an advanced stage in oil sands planning but they are holding back on further action. The reason for this is they do not have confidence in either the oil policy or the long-term commitment of this government to the principles of free enterprise.

Arctic and offshore oil exploration is an equally confused situation. Record sums have continued to be spent, notwithstanding the fact that the risk-takers are working without any rules. Over four years ago this government withdrew all regulations relating to frontier lands, and since that time no new permits for exploration have been issued. The oil and gas industry has been running on blind faith. Off the Atlantic provinces alone this year, expenditures for exploration will exceed $100 million. Continuity of this activity means a lot to the Atlantic provinces and in the longer term it is critical to Canada's continuing security of energy supplies for eastern Canada. However, those programs are winding down. There will be but one offshore drilling rig at work at the year end. One of the reasons is that now some 90 dry holes have been drilled without success—an expenditure of nearly $400 million. Combined with this is the lack of any regulations and the ever increasing lack of confidence in this government.

It must be remembered that the western provinces in Canada have been explored and now might be considered to have found some 75 per cent of their ultimate potential. The frontiers, which are administered for the people of Canada by the federal government, have really only scratched the surface when the vast extent of the lands is considered. I believe the whole question of Canada's security of supply and continued self-sufficiency in oil and gas is bound up in the events starting with the accord reached by the first ministers and the Prime Minister (Mr. Trudeau) at the end of March of this year. Equally important are the events which followed that historic meeting. I refer to the federal budget of May 6 and the introduction of this Bill C-32. All Canadians assumed that when the Prime Minister rose in this House on March 28 to announce triumphantly the terms of agreement with the premiers of the producing provinces. I quote the Prime Minister's words:

> It is my privilege to report to the House the details of a national agreement to meet this challenge. An agreement reached yesterday which underlies the goodwill and national feeling that exist in all provinces and regions—which stands as a tribute to the vitality of our Canadian community. As I have said, yesterday was a great day for federalism.

The Prime Minister said later in his statement to this House:

> The broader foundation of that agreement has been what I can only describe as a remarkable spirit of co-operation, of understanding and patience, for which I pay tribute to the spirit and generosity of our ten premiers.

At that meeting, Mr. Speaker, it was assumed by all Canadians, and one would assume by all those in attendance, that all parties to such an agreement would have all their cards on the table. The federal budget, which was brought down but a few short weeks later, made clear that the Prime Minister did not have all the cards on the table. The key elements of that agreement were that the wellhead price of crude oil would be increased to $6.50 per barrel, to be maintained until June, 1975; that there would be a single price for crude oil across Canada excepting transportation differences; that the full amount of the export charge would be used for a consumer cushion to bring down the price of imported oil from its international level of about $10.50 per barrel to the new Canadian level of $6.50. Now the government gives us the Petroleum Administration Act which introduces many items that are in direct conflict with the fundamental philosophies upon which that March agreement was predicated.

As we have seen in the past, this government is again demanding far reaching powers, much in excess of any reasonable need in the circumstances, and asks that these powers be bestowed upon the government permanently. This would be bad enough for any government, but when

it is this government and this Minister of Energy, Mines and Resources (Mr. Macdonald), Canadians have good reason to fear the consequence. I say to the House that this legislation, following on the heels of the May budget, invites confrontation and distrust from the producing provinces. Surely this action is not in the spirit which brought about the accord at the end of March, nor in keeping with the words uttered by the Prime Minister about goodwill, understanding, co-operation and generosity. Nor is this the kind of legislation that promotes trust, co-operation and goodwill, a vital necessity if Canada's long-term energy needs are to be met.

The bill which we are discussing today, Bill C-32, is one further step toward breaking down any confidence or trust which might have existed between the provinces and the federal government. I suggest that clause 22 in this legislation, which provides that the governor in council may enter into an agreement with the government of a producer province for the purpose of establishing mutually acceptable prices of the various qualities and kinds of crude oil, is in fact just a sham and a farce.

● (1650)

Under clause 36, the consultative process becomes meaningless. The clause would give the federal government the power to set aside any agreement which had been reached with a province after discussion or consultation. What a way to negotiate! What sort of blackmail is that? This action is wrong in principle and, in the view of most people, it violates the traditional constitutional position of the provinces. The bill before us is, in fact, one of the most extreme instruments for the transfer of power to a government that this country has ever witnessed in time of peace. Neither the Prime Minister nor the Minister of Energy, Mines and Resources has sufficiently explained to this House or to the Canadian people why these excessive powers are being demanded.

I think it is safe to say that all Canadians breathed a sigh of relief when it was learned that agreement had been reached between the provincial premiers and the Prime Minister. As the Prime Minister said, it was not an easy agreement. I quote his words:

> We have searched hard for solutions which would meet the reasonable aspirations of the producing provinces as well as the immediate and longer term energy needs of all Canadians.

It seemed clear from this statement, and from indications by the premiers, that compromises had been made on all sides to satisfy all needs for the foreseeable future, or at least until June, 1975—the needs of the provinces, of the federal government and, last but not least, of the producing companies. The reference in the Prime Minister's statement to recognition of the "immediate and longer term energy needs of all Canadians" suggests that he, too, saw at that time an agreement which would enable the vital search for oil and gas to continue.

Some time between the end of March and the date of the May budget, something changed. Something new entered the picture. I wish the government would take the House into its confidence and tell us what happened to bring about what amounts to a reneging on the March agreement, rendering it meaningless. In his speechmaking around the country, the Minister of Finance (Mr. Turner)

[Mr. Bawden.]

has made much of the greed of the provinces in raising their royalties so as to take, as he says, too large a share of federal revenues. But why did the Prime Minister not make this important point very clear at the meeting with the premiers on March 27? What has not been made clear to the Canadian people is that the Prime Minister was fully aware of the Alberta royalty rates when the agreement was reached with the premiers at the end of March. Should there be any doubt about this, I would set it to rest by quoting from the Alberta *Hansard* a statement made by the premier on October 31 of this year:

> During my first meeting with the Prime Minister in March, 1974, I informed him it was the Alberta government's decision—which we would be announcing—to increase the royalty rates on incremental price increases to the extent of an average of 65 per cent for price increases over the existing average wellhead price of $3.80 per barrel.
>
> I also pointed out to him that we would end up with an average royalty rate increasing from 22 per cent to 40 per cent of gross production, that we would have a lower rate of about 28 per cent on new oil, and that as of April 1 we would take this production in kind through the Alberta Petroleum Marketing Commission.
>
> The federal government made a reservation with regard to the position we have taken to have access to the various streams of income throughout the country. I noted that reservation and want to refer, Mr. Speaker, because of its importance, to the statements made by the Prime Minister in the House of Commons on Thursday, March 28, 1974, the day after the oil pricing accord.

Quoting the Prime Minister with regard to his announcement of the oil pricing accord, the premier went on:

> It was apparent, however, that Canadian oil resources were limited. It was apparent that if we wished to assure the huge investments necessary for adequate future supplies, somewhat higher domestic prices would be essential and that the oil producing provinces, mainly Alberta and Saskatchewan, must be assured a fair return.

The premier continued:

> He went on to say that the $6.50 would go entirely to the provinces to divide with the companies as they see fit, subject of course to the federal right to use the federal corporation tax responsibly. At the time that statement was made, and during the month of April, the position was that the federal government—or perhaps I should retract and say, as of March 27 and prior to that—the federal government was aware of our proposed royalty rate structure. We were not aware of any contemplation by the federal government to change, contrary to the spirit of confederation, the historic nature of the deductibility of provincial government royalties which, as the premiers have said, has been historic and traditional in our nation.

Mr. Speaker, Canadians are being told by the Minister of Finance and by the Prime Minister that increases in provincial oil royalties are to blame for all the upset in federal-provincial relations and for the retaliatory actions taken in the May budget. Should there be any doubt about the position of the federal government with regard to provincial royalties, I would refer hon. members to a meeting of the committee on miscellaneous estimates on November 14, 1973, when the Minister of Energy, Mines and Resources replied to a question posed by the hon. member for Waterloo-Cambridge (Mr. Saltsman) as follows:

> Mr. Saltsman, we anticipate that the provinces will be moving into the situation with amended royalty programs so as to capture some, at least, of this economic rent for provincial purposes. That is why the government of Alberta has our full support in the proposed change in the royalty legislation. We were of the view a year ago that they had underestimated the capacity of royalty collection in that province. We are glad the premier has changed his mind on that, and now proposes a

new royalty collection system. We hope Saskatchewan will follow suit in this regard.

To a further question, the minister replied:

I must say that in terms of the sharing of revenues it is rather a complicated account, but we feel on balance it would be preferable to leave it in provincial hands. But of course it will have some interesting consequences because of our federal-provincial fiscal measures. As time goes on, the return of additional royalties to British Columbia and to Alberta will, of course, mean an increase in the federal obligation to pay to the other provinces under the equalization provision—

The minister added that the royalties derived by Saskatchewan would, in effect, be deducted from the equalization payments the province is receiving. He went on, in his reply, to say:

Basically, at a time when there are extensive pressures on revenue at the provincial level, we feel it would be reasonable to return this royalty to them.

I think this statement makes it very clear that the government was encouraging the provinces to increase their royalties.

Mr. Knowles (Winnipeg North Centre): Five o'clock.

The Acting Speaker (Mr. Penner): Order. I regret to interrupt the hon. member but, it being five o'clock, the House must proceed to further business.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Penner): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Edmonton-Strathcona (Mr. Roche)—Unemployment insurance—Suggested closing of supplementary office in Edmonton—Government position; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Finance—Government annuities—Reason for failure to adjust interest rates; the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds)—Canadian Commercial Corporation—Allegation corporation favours certain regions in making purchases—Government action.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions (papers), private bills and public bills. There being no item under the heading notices of motions (papers) on the order paper, the House will proceed to the consideration of private bills.

Mr. Foster: Mr. Speaker, there have been some discussions among the parties and, as I understand it, Bill S-11 will be under consideration during private members' hour. There seems to be a feeling that it can be disposed of without much delay. I think there has been general agreement that if we should complete this bill within 10 or 15 minutes, we will go back to Bill C-32 for the remainder of

private members' hour, during which time the hon. members for Calgary South (Mr. Bawden) and the hon. member for Palliser (Mr. Schumacher) would speak. Then we will continue debate on second reading of the bill at eight o'clock.

● (1700)

Mr. McKinley: On a point of order, Mr. Speaker, we have agreed that the hon. member for Calgary South (Mr. Bawden) and the hon. member for Palliser (Mr. Schumacher) be heard and that we then call it six o'clock, unless other hon. members wish to speak, and then continue with Bill C-32 at eight o'clock.

Mr. Knowles (Winnipeg North Centre): This arrangement is acceptable to us, Mr. Speaker.

[*Translation*]

Mr. Allard: We agree, Mr. Speaker.

PRIVATE BILLS

[*English*]

BRITISH COLUMBIA TELEPHONE COMPANY

Mr. Hugh A. Anderson (Comox-Alberni) moved that Bill S-11, respecting British Columbia Telephone Company, be read the second time and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, the bill which I am proposing to the House is to amend a special act passed in 1916 incorporating the B.C. Telephone Company. The B.C. Telephone Company is composed of 12,000 employees, maintaining a service for 1,200,000 telephones, operating through more than 200 exchanges which link the subscribers of Canada's second largest telephone system. The B.C. Telephone Company is an investor-owned company. Nine of the 11 directors of B.C. Telephone, including the chairman of the board and the president, are Canadian citizens, as are the 15 officers of the company. As of December 31, 1973, there were 5,657 shareholders, holding 3,236,674 shares. Shareholders residing in Canada held 95 per cent of the total shares. Preferential or preferred shareholders totalled 18,052, of whom 17,819 were Canadian residents, or 98.7 per cent of the total.

The proposed amendments contained in this bill relate to the capital stock of the company, in order that B.C. Telephone can increase its total authorized capital stock to take care of future capital development. The amendments will also provide the company with a greater range of financing alternatives and arrangements that will be consistent with the Canadian Corporations Act. Of course, existing rights of shareholders, particularly voting rights, will remain unaltered.

At the present time, B.C. Telephone's authorized capitalization is $250 million. As of this date, the company has issued almost $200 million of its authorization. The balance of $50 million will not meet the estimated requirements for capital expenditure through 1976. Construction

programs alone in 1974 are estimated to total $193.7 million. The projected 1975 construction program is $243.4 million. It is estimated gross plant additions required during the period 1975 to 1984 will total $1,582 million, assuming a 15 per cent growth rate for the next five years of the projection, combined B.C. Telephone and Okanagan Telephone which is a subsidiary. The total from 1980 to 1984 is $2,955 million, with the total between 1975 and 1984 being $4,537 million. Of this $4.5 billion, approximately one-half can be generated internally, for example from depreciation, deferred taxes and retained earnings, leaving approximately $2.25 billion of new capital which the company will have to seek over the next ten years.

Assuming a debt ratio of 50 per cent, the company will require over $1 billion in new equity capital in the next ten years and must, therefore, seek to increase the authorized capital of the company and make the capital structure more flexible in order to be competitive with other financial institutions. The company, in its act of incorporation, did not have financial flexibility such as the issue of convertible preferred shares, redemption or retraction privileges at the option of the shareholders, and other corporate financial arrangements which no modern company is now without. In order for the B.C. Telephone to be competitive in attracting investors, these recognized financial concepts must be given the company. Because of the need to obtain funds for heavy capital expenditure and to modernize the methods of obtaining investment funds, this bill is now being presented to the House. The bill deals only with those things I have spoken about and will not effect any other activities of the company.

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, as a member from British Columbia, I should like to say that my party supports this bill wholeheartedly and was prepared to let it go through a couple of weeks ago, but there was a delay. We are very happy that the hon. member for Comox-Alberni (Mr. Anderson) has presented his bill today and hope our support will help speed his bill through all stages. At a future time when a private member's bill is presented from this side of the House, I trust we will receive the same support from members on the government side.

Motion agreed to, bill read the second time and referred to the Standing Committee on Transport and Communications.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade, be read the second time and referred to committee of the whole.

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, to continue in respect of Bill C-32, I believe the statement of the Hon. C. M. Leitch, attorney general of the province of Alberta, made before a committee of this House during the discussion of Bill C-18 very well sets out the concerns of that province and, indeed, of all the provinces of this country. I quote from his remarks as follows:

> If one of the negotiating parties by legislation purports to reserve unto itself powers of the most dubious constitutional validity, it invites the other party to embark upon a course of judicial confrontation which to date all sides have attempted to avoid in the interests of the Canadian nation. In the last analysis and when viewed in practical terms, part III amounts to an assertion by the federal government of a right to regulate the price, the flow, the production and the sale of a provincial natural resource. It embodies a concept which, I am sure, no provincial government after measuring the consequences of its extension to other natural resources such as lumber, hydro power, potash, iron ore, asbestos, nickel, copper and coal, could accept without impliedly acknowledging that in today's economic circumstances the federal government has taken complete charge of the provinces' capacities to determine their future economic development.

In closing, I should like to enlighten the House on some of the facts of life in the province of Alberta, and more particularly in the oil and gas industry. Investor confidence is at its lowest ebb in the history of western oil and gas development. This can best be seen in the figures which indicate the level of exploration and development activity. Last year to this date there were 3,704 well completions. This year the figure to the same date is 3,339. At that time last year, the end of October, 165 drilling rigs were operating. This year there were only 133. In contrast, in many other countries in the world the number of drilling rigs and the number of holes being drilled is increasing as rapidly as those countries can find the funds, the people and the machinery to carry out their tasks.

Many submissions have been made by the oil and gas industry, as well as by the provinces, to the federal government. The industry and the provinces have been alternately warmed and cooled by events and discussions. The Minister of Finance, who seems to be able to handle negotiations much better than the Minister of Energy, Mines and Resources, has visited the provinces and has promoted discussion. On November 18 the Minister of Finance will be delivering his budget to this House, and if the compromise discussions have made progress then the feature of the last budget which disallowed the deduction of oil royalties as an expense in computing income will be dropped or substantially altered.

● (1710)

I wonder if hon. members realize that since the month of March, royalty oil in the province of Alberta is taken directly by the province, is sold by the province, and neither the oil nor the funds realized ever come into the hands of the producing companies. This means that the company involved is paying tax on royalty which can be as high as 65 per cent of its production and averages about 40 per cent, an amount which it never receives or touches. In Saskatchewan, the figure, I believe, is now some 60 per cent. I think that if members were to put themselves or anyone else in this position they would agree that at least it would be very demoralizing.

The entire system of export tax collection at the present time, yielding some $1.7 billion to the federal treasury, is one which if continued will eventually wipe out a satisfactory level of exploration and development. I say this because costs of finding oil are increasing at a rate which is much higher than most other costs are increasing in this country. If this should continue, the prices will have to be a great deal higher. The National Energy Board report of December, 1972, just under two years ago, stated:

> The capital investment required for oil sands processing plants is in the order of $4,000 to $5,000 for each barrel of daily oil production. Thus, half a billion dollars will be required for each 100,000 to 125,000 barrels per day plant.

In the short span of 23 months this cost figure has gone to $2 billion for a plant, or in the order of $20,000 per day of investment for each daily barrel produced, which at today's price brings $6.50. I think hon. members can place that in its proper context and ask themselves whether this is an investment that would attract their capital. Incidentally, the rate of production from the tar sands projected in that report for the early 1980s is now likely to fall a long way short. This makes it abundantly clear that if the oil sands are to be developed, as they must be very soon, higher prices for crude are a necessity.

In conclusion, I would urge this House, and especially the ministers opposite, to take serious and concerted action to remove the uncertainties that are driving out risk capital from the oil and gas energy industry. J. Arthur Smith, of the Conference Board of Canada, said to the Canadian Conference of Banking in September this year:

> Two discouraging features of this situation have been emerging. The first is that Canadians have generally been moving towards an increasing mood of nationalism. In many respects this mood is inconsistent with the realities of the need for close international interdependence as a cornerstone for great national achievements within Canada.

Mr. Smith went on to say:

> Many estimates have been made about the amount of new capital spending that will be needed in Canada over the next decade to achieve a course of outstanding development of our economic and social system through the mid 1980s. It is difficult to quantify precisely what these requirements would be. But in very round terms, I would judge that these requirements, in total, would be of the order of $500 billion.
>
> A very substantial part of this total must be allocated to meet essential energy investment requirements—at least a quarter of this total; probably much more.

He went on to say:

> But present prospects for actualizing energy related investment in this scale are not at all promising under the present combination of federal and provincial policies. Indeed, if the existing federal and provincial direct and indirect taxation of this sector of our economy is not adjusted quickly, not only will the total capital requirements I have suggested not be feasible, but a severe energy crisis will emerge that would simply preclude any capacity by the Canadian economy to advance along the potential growth path I outlined earlier. Governments in Canada now, surely, have a special responsibility to work out appropriate arrangements, with a realistic appreciation for the lead times required to use our vast potential energy resources to meet future needs in relevant and timely ways. At the moment, policies are simply not organized to achieve the needed results.

Madam Speaker, I would urge the Minister of Finance, in considering his new budget, to bring forward some very significant proposals directed toward investment in resources in Canada by Canadians. At the present time there is a very severe reversal of investment, particularly by independent companies from the United States, in Canadian oil and gas development. Unfortunately, Canadians are not given the necessary incentives. They do not have the favourable tax treatment that Americans have, and thus they are in a disadvantageous position compared to foreign investors in our country. Surely, one of the most important and vital things in providing that opportunity for Canadians to invest would be for the minister to alter these rules in a way which has been urged upon him for many years.

I say that federal lands at the present time have no royalty and no regulations. At the present moment we can only guess what the minister has in mind in this area, but I say that if the federal government is to attract the type of activity these lands demand and which our future energy needs demand, we will not be able to attract the capital if royalties from federal lands are not deductible. Therefore, I say if the government cannot decide the federal royalty level for its own offshore, Arctic and frontier lands prior to the federal budget, surely the minister can, with some regard to where this level of royalties may be set, provide in the budget that a certain percentage be deductible on royalties paid to the provinces.

I would suggest here that the minister might hit an interim figure of, say, 30 per cent. On this basis I feel the industry could get on with the job. At some future time when federal royalties are decided, then perhaps this figure could be adjusted upward or downward to match the federal royalty level, and thus give the provincial lands, but particularly federal lands administered by this government, the necessary action by developers and explorers. The time is now long since past when we, as Canadians, can delay any longer the resolutions to our energy future. A heavy responsibility rests on the shoulders of this government in a most critical area. I hope and pray that this is recognized by the government and that action will be forthcoming very soon.

Mr. Stan Schumacher (Palliser): Madam Speaker, in rising to participate in this second reading debate on Bill C-32, I should like to review for a moment, in precise terms, what is before us. Generally speaking, it is a measure to fix the price of petroleum products in Canada, that is, to give the federal government the authority to say that the price of oil shall be $6.50 a barrel until next July, pursuant to a meeting of first ministers last March. It also formalizes the taxing position that the government assumed in September of 1973 when it unilaterally, without consultation with anybody, imposed an export tax. We have seen that tax grow to a rather significant figure.

● (1720)

In addition to those matters, the legislation has changed since it was first introduced last April, in the last parliament, in that it gives the government power to set the price of natural gas. Also, it continues the power that was introduced in the legislation last April to allow the federal government to fix the price of oil and natural gas on a permanent basis. We have heard complaints from many speakers on this side that this legislation flies in the face of the agreement made last March by the first ministers of this country because, as we all know, the agreement was to expire next year, but the price fixing power in the bill

before us will certainly not expire. Many comments have been made about the credibility of this government on this issue because it has become painfully apparent that the government just cannot be believed or trusted in what it says to the people of Canada on this aspect of our economic life. I think it is also evident in other areas, but it is most evident in this area.

My friend, the hon. member for Calgary South (Mr. Bawden), in the remarks which he just completed referred to some evidence that was given by the Minister of Energy, Mines and Resources (Mr. Macdonald) before the miscellaneous estimates committee last November. Although he applauded the move by Alberta to increase its royalties, and also at that time encouraged Saskatchewan to do the same, on other occasions he hinted that if the provinces did not bring down their royalties to a realistic level, the government would. Very evidently he was threatening the two provinces. What is so frustrating, and what I feel must cause chagrin in the premiers of Alberta and Saskatchewan, is that after they took the hint from the federal minister they were accused, in the last election compaign and in the last budget speech of the Minister of Finance (Mr. Turner), of trying to take all the money from these natural resources and not leaving room for the federal government to take its share from the proceeds of these resources.

First of all, I wonder how effective the government believes its income tax legislation to be. Most people in the country seem to feel, with good reason, that the income tax legislation is pretty efficient in getting money out of people who make a profit. But in listening to ministers talk, one would think that such effectiveness did not exist. They absolutely refuse to give that mechanism a chance to work. If the mechanism is faulty, why do they not change it and make it work? I cannot accept the argument that the provinces have pre-empted the taxing power of the federal government. Of course, one must realize that the federal government has other tax sources in that industry. What about all the income tax paid by the people employed in the industry, and the potential of the secondary industry? They have not given the industry a chance to mature sufficiently to produce income, because it is only now that prices have finally come to a reasonable level in that industry.

Until recently, the price of petroleum products was incredibly low. So when prices go up and the industry is on the verge of making a profit, on 50 per cent of which they would pay substantial income tax, the government moves in and, for all practical purposes, takes 100 per cent of the profit from the enterprise. Then they wonder why people are considering leaving the scene in Canada and moving to greener pastures, as they are doing in fact.

It is of great concern to me that this country might move from a position of self-sufficiency in oil and gas to a position of shortage. I do not know what goes through the collective minds of the government. It strikes me as being a very bone-headed approach to the problems of Canada. We had an international situation in 1973 which caused a crisis in supply. But at the very time that we faced this supply problem, the government introduced measures which inhibited the increasing of that supply. I think I should draw attention to figures which were supplied by

[Mr. Schumacher.]

the government itself in a table that was distributed to members of the miscellaneous estimates committee this session when we were considering the supplementary estimates of the Department of Energy, Mines and Resources. They show a steady decrease in the past 11 years, so that in 1974 we will have the least exploration drilling carried out in this country for 11 years. Last year was tenth on the list, so in the last two years there has been the least exploration activity in the country. At a time when we should be increasing this activity, we are actually reducing it, primarily as the result of the actions of the federal government.

It seems to me that any sensible government policy in this area would consist of four things. First, we should ensure continuity of the supply of oil and natural gas. Second, it should be recognized that so far as supply is concerned, the achievement of the goal may take a long time, perhaps 10 or 15 years, because it appears to me that the government thinks that if they really face a problem they can turn on the tap a little more and thus solve supply problems. Of course, that does not work. The magnitude of some energy projects, in relation to the growth of domestic energy requirements, is such that they can probably only be developed efficiently in co-operation with the United States.

Hon. members across the aisle and to my left will say that I am advocating a continental energy policy. I am certainly not doing so, but I think we should face some facts of geography and use a little common sense. In 1969, shortly after I was first elected to the House, I made a speech in which I called for prompt action in the construction of the Mackenzie Valley pipeline, because it was just a few months after the petroleum discovery in Prudhoe Bay. However, in the ensuing years the government has been flipping and flopping around. At times one has the impression that they want nothing to do with it; at other times the opposite seems to be the case. For example, during the 1972 election campaign the Prime Minister (Mr. Trudeau) said the government would build a highway up the Mackenzie Valley in order to develop the valley as an energy corridor. Following that election he appointed Mr. Justice Berger of the British Columbia Supreme Court, one of his New Democratic Party friends whom he had appointed to the bench, to undertake a study of that area. With the bias and prejudices that jurist displayed before his elevation to the bench, I do not look forward to a favourable decision. In my opinion he will do anything he can to sandbag development of the project. That is the ridiculous attitude displayed by the government, Mr. Speaker. It cannot seem to come to grips with the problem at all. It should be recognized that a high degree of risk is involved in this industry, but so far the government has not recognized this.

● (1730)

I have heard via the grapevine that in discussions with the petroleum industry the government is inquiring if it would be happy with a 9 per cent return on the money invested in finding the oil which has been located to date, and perhaps a 20 per cent return on oil found in the future. Surely this is a rather uninformed way of approaching the problem, suggesting 9 per cent as a proper return with regard to old oil.

It might be worth looking at the amount of money that has been invested to get us to our present state of self-sufficiency in oil. Between 1947 and 1963 the industry invested $7,576,000,000; in 1964 it spent another $753.7 million, and after that until 1974 costs went up by about one billion dollars a year until they reached $2,206 million in 1974. There has been no return on that investment to date because, until recently, there was no market for the product and it was selling at distress prices.

Carrying charges have had to be paid on the money invested, and of course there has been inflation. Therefore 9 per cent return on money that has been invested for 25 years is little short of insulting, and would not inspire confidence for the future. Even at 20 per cent for new oil the industry cannot have much confidence in view of the government's record of changing its mind. I would not take its word about anything. I would want a notarized statement, or an ironclad contract before I would have any dealings with people such as the Minister of Energy, Mines and Resources.

This bill is a price fixing mechanism. In view of the government's actions to date we can be sure that it is not going to fix prices which would encourage further development of the petroleum industry in this country. Another aspect that we have to consider is the government's budgetary proposals of last May. It is attempting to expropriate all of the price increases that have been allowed by making it impossible for producing companies to deduct the expenses of their provincial royalties.

The government's pipeline policy consists of a line between Sarnia and Montreal which would carry a quarter of a million barrels a day. That is something less than half the requirement of the Montreal market alone, and represents only about a quarter of our total imports.

It is obvious that the government does not want this country to have a national oil policy in its truest sense, that is, having the country produce and distribute its own oil. It still wants to keep the option open—to allow the eastern market the possibility of getting cheaper oil. I will return to that matter later, Mr. Speaker.

Another part of the government's over-all policy in this regard is its inability to come to grips with the land use regulations which were referred to by the hon. member for Calgary South (Mr. Bawden). We have been without regulations for the offshore and Arctic areas for about four years. It is inconceivable to me how the government can expect anybody to go up there and spend millions of dollars without any assurance of what the return on their money will be, but the people who invest money have shown amazing faith to date.

This bill allows the government to tax oil exported at around $5 per barrel at the present time. The tax started in September, 1973, at 40 cents a barrel. On the one hand we have the example of Canada decrying the actions of the OPEC countries in raising the price of their products at the expense of people in Quebec and eastern Ontario while, at the same time, it demands from the United States the highest price possible, knowing that country requires feedstock for refineries that were built as a result of our pleading with them to take oil in the days before the crisis.

As a Canadian I am not very pleased with some memories of world war II—although perhaps my memories are not too clear because of my age—when we were not self-sufficient in oil and were dependent on the United States. Then, because of world conditions, oil was in short supply. But the United States did not impose an export tax in order to obtain the highest possible price for petroleum. United States prices did not increase at all. They were controlled. The only requirement made of Canada was that we implement a system of rationing similar to that existing in the United States. I do not think we are repaying what we received when we try to extract every last cent from the United States in the present situation. I am not proud of this country's performance in this regard in the last 12 or 14 months.

● (1740)

As I say, the government has proposed a pipeline between Sarnia and Montreal which could carry 250,000 barrels of oil a day. I do not think that would be a wise move. Apparently Interprovincial Pipe Line Company does not think it particularly wise either, as it is dragging its feet in the matter of construction. I do not agree with those in this House who say that the pipeline should be reversible. People who make statements like that are not encouraging the implementation of a national policy with regard to oil. Either we shall become self-sufficient, and we have the resources, or we shall not. If it is government policy that we are not to be self-sufficient, why should the producers of our resources be expected to receive low, controlled prices in time of shortage, but be without protection in times of abundance? That attitude is very selfish on the part of the government, yet that appears to be its policy.

The hon. member for Waterloo-Cambridge (Mr. Saltsman) suggested that Ontario has subsidized western Canada since 1959, when a national oil policy was adopted, by paying two or three cents a gallon more for gasoline. This provided a market for western Canadian crude. He conveniently forgets that these resources were discovered with equipment and material which had mostly been manufactured very close to his riding. That equipment was not sent to western Canada on a subsidized basis. I do not recall people in my constituency buying equipment manufactured in Ontario at prices lower than they could obtain in the U.K. or the U.S.A. There we saw a case of manufacturing industries protected by tariffs making us pay higher prices. On the other hand high freight rates discourage the sale of our commodities in the central Canadian market.

Our industry has not been subsidized. If Ontario has paid a little more for its gasoline, let it remember that it sold goods to western Canada at inflated prices. The oil industry has created many jobs for the people in my hon. friend's constituency for a long time.

I am concerned about the proposed establishment of the national oil company. I understood that, originally, the idea was for this company to explore for oil so that we would become self-sufficient. Apparently the government does not intend to do this. A headline in the Montreal *Star* of yesterday's date reads, "Macdonald etches in role of state firm. PetroCan would buy".

Clearly the national oil company will not be set up for the purpose of making us self-sufficient. Rather, it will be the mechanism by which we can buy off-shore oil for lower prices. The Shah of Iran has said that he would be willing to sell oil to a government agency at a lower price. He is not in favour of oil companies collecting any extra profit. If a government agency buys, he is prepared to make oil available at a 3 per cent or 4 per cent discount.

I find this interesting. The government, under the guise of creating a mechanism to bring about a greater degree of Canadian self sufficiency, is actually creating a mechanism which could help to destroy our petroleum industry. That does not say much for the Canadianism of those who support this idea. They are willing to sell out our native industry for a 3.5 per cent discount from the Arabs. That, again, shows the attitude of the government. The Minister of Energy for Ontario, Hon. Darcy McKeough, about one year ago also came out in favour of a national oil company and proposed the building of a reversible pipeline. He wanted the best bargain for oil, but was happy to sell his province's products to what some call the hinterland of this country at exorbitantly inflated prices.

Allow me to quote from the column of the syndicated columnist Bruce Whitestone who, in an article entitled "Apportioning the Blame", written last September, said:

As the energy crisis fades as a topic of popular concern, the public is left not only with sharply higher gasoline prices but also with a distinctly jaundiced view of the oil industry and its relationship with the government.

During the crisis last winter, the public blamed the oil companies—

Largely at the instigation of the Minister of Energy, Mines and Resources, let me add:

—the producer nations, and their governments for the problems.

A significant section of the public believes that the fuel shortage was contrived. The oil companies raised their prices, and their profits soared, and critics contend that the energy crisis was sponsored by the industry with the co-operation of governments both provincial and federal.

As a result of these developments, many oil companies and government officials say that one of the most difficult problems is convincing the public, as it digs into its pocket to pay record prices for gasoline and fuel oil, that profit is not a dirty word.

While most accept the idea of sacrifice, they want to be assured that it is needed and that no one is profiting from the energy problems.

Others question why, with consumers bearing the brunt of the crisis, were the oil companies allowed to reap some of the highest profits in their history. Actually, the public should have had another reaction: with profits soaring, the public could have recognized that the 'shortage' of oil would be ending soon. High profits would ensure that it would be profitable to produce more crude and process it as well. High profits, which guarantee that companies will work aggressively to take advantage of the high rewards that now exist, have two functions. They provide a ready source of capital for investment and serve to attract capital from the outside. Thus, it is not surprising to learn that oil companies are now planning to increase significantly their refining capacity and their drilling activity.

● (1750)

The job of mollifying the public is made more difficult by the misconception of shortages as such. In purely economic terms, in the natural world there never can be a "shortage": the problem is only one of price. If there were free taxicab rides, insufficient taxis would be available for hire. Similarly, free medical service entails an apparent shortage of medical personnel and facilities. Hence, there appeared to be an oil shortage because prices were not at levels to balance demand.

Others could argue that an oil cartel could be artificially boosting prices. However, a monopoly complete or partial, cannot impose higher prices regardless of the consequences. Prices greatly in excess of market price levels would curb demand and adversely affect prices. Not only would the public cut back on its use of petroleum products, but substitutes would be utilized more extensively. People could use more coal, insulating materials, or even foot power!

It must be acknowledged that some of the actions of the oil companies have been detrimental to their own image and long-range interest. Not too long ago, one of the major oil companies paid a bonus of one month's salary to its non-union employees. Some oil companies have made large acquisitions, such as the purchase of Montgomery Ward.

I believe the writer is referring to the actions of Mobil Oil in the United States. In passing, I suggest the recent announcement of Imperial Oil to contribute several hundred thousand dollars to save the so-called magazine *Saturday Night* is an example that maybe they are not being taxed high enough. If they have that kind of money to support a magazine like that, perhaps there is something wrong with the taxation policy of this country. However, that is a decision they want to make. Probably my friends to the left applaud the decision of Imperial Oil to do that. It was probably being done with some political motive. I continue the quotation:

As for complaints that the magnitude of the increase was not necessary, that a smaller increase in crude oil would have produced plenty of funds to accomplish the goals of the oil industry, there is no accurate way to assess this claim. However, if the price rise were excessive, it would either attract more producers and greater supplies to the market, or it would curb demand so much that oil companies would have to modify the increase in order to maximize their production facilities.

When the oil producer nations virtually quadrupled oil prices last year, many assumed that these countries were acting like highway brigands. Actually, the sudden rise represented a catch-up as oil prices were level for 15 years, except for a five cent per barrel increase last year and a rise of 10 cents per barrel the year previous. Oil producer nations should not be compelled to shoulder a disproportionate share of the blame for our oil problems, therefore.

Then, cries of government unpreparedness ignore the real difficulties that were interposed whenever a new oil policy was suggested. Only now, when Canadian crude is fixed below the cost of imports is a national pipeline acceptable in eastern Canada.

One area that can be criticized is the effort of the federal government to intrude its presence in the controversy. Neither the arbitrary establishment of a price of $6.50 per barrel of oil, nor the effort to tax "excessive" oil profits in the May budget, could be justified on economic grounds.

It is apparent that if the policies of the government are allowed to continue there will be an oil shortage by 1983. A proper policy of the government should be to allow the price of oil to increase so that the oil sands can become viable. Surely it is in the interest of this country that we be self-sufficient, and not be at the mercy of other nations. It would be better to pay a higher price and have an assured supply than to take the short-run benefit of a lower price and not have a supply. It is better to pay the increased price than not have oil.

This country should be developing the oil sands. To date government policy has been discouraging. We have one plant working, Great Canadian Oil Sands, and another, Syncrude, being built. A third was to be built by Shell Canada Limited and its U.S. counterparts, Shell Explorer Limited. The U.S. part of this deal has been pulled out, and they have gone back to the United States with their money.

We should have a policy that sees further than the tip of the minister's nose. We need a policy to develop our oil sands and have a pipeline from western Canada to Mont-

real. It must be big enough to supply the requirements of the whole nation. We do not like inflation, but we have to accept the fact it is here. The mere fact that it is here will make these oil sands more viable. We should be working toward self-sufficiency, not suffering from a self-imposed shortage as a result of the policies of this government which will assure that result.

The Acting Speaker (Mrs. Morin): Order, please. It being six o'clock I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, much has already been said in this debate on Bill C-32. In fact there appeared to be some willingness before the House adjourned for supper to let the bill go to the committee. However, although I do not intend to cover ground which has already been covered by other speakers, there are several aspects of this question which have not so far been dealt with and which I should like to discuss.

Naturally, when we consider the participation of the federal government in oil marketing our minds go back to the famous meeting in March when there appeared to be agreement between the federal government and the provinces. Bill C-18, which has already been widely discussed, attempted to set forth criteria defining the way in which oil should be marketed in the 15 months following March. The bill before us makes no provision for a time frame, and it deals with hydro and gas, as well as with oil.

Before I address myself to the subject of energy I should like to call attention to an interesting parallel between food and energy in Canada today. Today's world is seriously concerned about supplies of food and energy. Canada itself is concerned about food and the cost of food. The government tells us that the way to bring food prices down is to produce more food—a simple answer.

On the other hand we note that a study is being made of the whole principle of marketing boards—the concept of marketing boards is being thoroughly examined at this moment in a committee, or at least I should like to think it is, Mr. Speaker. However, anyone who has studied the committee reports so far will have reached the conclusion that the necessary degree of co-operation from the provinces is lacking.

British Columbia says it is not co-operating and that it does not intend to in the area of the distribution of supplies. In name, it belongs to CEMA but in fact it does not. Saskatchewan, the next socialist province, says it will co-operate all the way; it believes in a marketing system for agricultural products. But 44 per cent of its production is not involved. You see, Mr. Speaker, it is so much window dressing, so much smokescreen—unless one substitutes a different expression for "smokescreen". We don't really believe it.

When we move on to Manitoba and study the degree of their participation, we realize that Manitoba is out for Manitoba. There is nothing strange about that. They believe they could produce cheaper than anybody else and they want all the production they can get.

● (2010)

Then we move to Ontario, the biggest province with the greatest consumption and, strangely enough, we find the greatest increase in agricultural production. So what I am really saying is that if one studies the whole thing in an academic way, relating marketing controls to food supply in Canada, this is an absolute farce.

Strange as it may seem, we have before the House a bill which sets up a control system on supply, on price and on distribution. I do not see that this is much different from the agricultural situation, because in this regard Ottawa says that it can control production and can get the best price. Let us examine that to see how successful it has been.

If we go back to April 8, 9 and 10 when this matter was before the House for debate, and reflect on what has changed in the thinking of the public, we find there has been a general acceptance of the fact that we are running out of supplies. My gosh, by 1983 we are going to be short of oil and will be net importers of that commodity. We are now really balancing our production.

The National Energy Board has not really published the facts, but there is a general agreement across Canada that our current known reserves will adequately meet our needs until about 1983, after which time Canada will become a net importer of oil. These facts were known in April, 1974.

Let us go back to the food parallel. We realize that controls do not increase supply, just as that is true of the energy situation. One might ask whether controls in the past few years have increased supply, and that is the real question every Canadian must ask himself now. Have interventions and controls by the federal government increased the known reserves or the known supply in Canada? Have they increased the availability of supply on the Canadian market? That is the question we must answer before we pass this bill.

If you ask for an objective point of view from any expert or even from any Joe Blow in Canada, you get the answer that intervention on the part of the federal government has in no way increased our supply. I am sure that the average person and the expert would come to the conclusion that controls and intervention by the federal government have not increased our supply one iota.

I am sure that anyone who went to the trouble of examining the situation in depth would find that over the past two years the interventions by the federal government have, in fact, lowered known reserves and availability of energy in this country. I do not argue with the fact that the federal government may have been responsible for lower costs, and perhaps the government has even been responsible for lowering the cost of distribution, but I ask myself whether these lower costs have been worth the risk of running out of supplies by 1983. That is a question all members of parliament and all Canadians must ask themselves. Was the price we paid in slowing down exploration,

development and further expansion, worth this lowering of cost?

I hold the view that in 1983 oil will be more expensive than it is today, and I do not think that is an illogical point of view. In spite of the best intentions of governments and banking institutions all over the world, the OPEC countries have learned one thing. They have learned that they have power, and they are going to exercise it.

I well remember last spring when the leader of the Liberal party in Alberta made a trip to Israel. Incidentally, that seems to be the popular thing to do, Mr. Speaker. He came back and told Albertans not to worry because the federal government had set the price at $6.50. He said that was not an unusually low price because by October, 1974, oil would be selling at $6 per barrel throughout the world. He said that countries belonging to OPEC were going to reduce their world price. He said we should fear not because the federal government had been very prudent and wise in setting the $6 ceiling on Canadian oil.

Well, October has come and gone, and in all fairness I think that even the experts would agree that OPEC is not going to lower oil prices. One interesting thing when you consider whether oil prices are going to be lowered is the recent find of an unusually large amount in Mexico. President Ford went to Mexico and wanted to be buddy buddy with those fellows right away, because they have new resources and riches. He wanted to acknowledge their wealth, and he hoped that they appreciated his great country, the United States. The people of Mexico, being the great hosts they are, extended President Ford a fine welcome, but before he left they made it abundantly clear that he should not expect any oil riches from them. They made it clear that they intended to join OPEC as soon as their new oil got into production.

What does that tell any thinking Canadian? I suggest it tells us that countries in OPEC know the power they have, and that they will exercise it. Whether we like it or not, those countries in OPEC will keep the price of oil where they want it. I do not like that, but I have the sense to realize this is a fact of life. I wish most members of the House of Commons would come to that conclusion objectively. Let us forget partisanship. Let us realize that OPEC is in power.

What can we best do to assure Canadians an ample supply of oil after 1983? This bill is to control price setting, supply and flow of production. Price setting has a great deal to do with the control of supply. It is obvious to me, and I hope it is obvious to everyone in this House, that oil is an international commodity. Whether I like it as an Albertan or a Canadian does not matter; oil is an international commodity. We must have additional exploration in Canada because we have to compete for investment dollars with every other country in the business.

● (2020)

The United States imports perhaps 6 per cent, 7 per cent, or at the most 8 per cent of its consumption. It does not want to be beholden to the Arabs. So, huge amounts of money are spent to encourage the international oil companies to spend large amounts of money in that country so that it will be less subservient to the OPEC nations. Yet we sit contentedly in our place and say that by 1983 some stroke of hope from heaven will save us from being subservient to the OPEC nations. We may not receive that hope from heaven. After 1983 we may be subservient to the OPEC nations, just as the United States is today.

What are we doing contrary to what is being done by the United States? It is not a matter of whether one hates or likes the United States; it is going all out to encourage exploration. What have we done? Just about the opposite. We have gone out of our way to discourage exploration, which is the worst possible course we could have followed.

Some months ago a newspaper article commented to the effect that Texas had been considered drilled out, and that there was no real need for exploration in that state. Today in Texas some 900 drilling rigs are drilling for oil and gas. We must scratch our heads and ask what brought in those 900 rigs. Perhaps 50 of them are from Canada, and maybe 25 of them are Canadian owned. What brought them from our country to that country? Did we feel that we had sufficient reserves and did not have to worry? Possibly it was because oil and energy are international commodities, and they were not aware they could get the best deal in our country.

Whether I, the government, or the Canadian people like it or not, Canadian money left Canada to be used in the search for energy and oil in the North Sea, in the United States and in the Middle East. It did not remain in Canada. I am not talking about the multinational oil companies which may have some loyalty to a parent company in some other country. I am talking about Canadian money which left Canada to be used in the search for oil in the North Sea, in Indonesia and in the United States.

We must recognize that oil, gas and other forms of energy are international commodities. I once argued for years against the social credit philosophy in the province of Alberta. I said it might work if we isolated ourselves completely from the rest of the world. I think it is generally conceded that as much as we might like to isolate ourselves, this is an impossibility. It is certainly an impossibility in respect of world commodities. So, let us recognize some of the basic facts in respect of the present legislation.

I would recommend that the bill be dropped completely, but if it is to be implemented it must be used with the greatest degree of understanding on the part of the industry. Whether or not the purists believe in the marketing board concept, price eventually will determine the supply. I do not like it, you may not like it, Mr. Speaker, and the members of the House may not like it, but it is a fact of life. What do we do from that point on?

We could say that price alone does not necessarily have to regulate supply for Canada. We could say that because of the tar sands our known reserves can supply Canadians with oil any time after about 1983, but we then would have to have a price not necessarily in step with the international price but a price over and above the cost of production in respect of the tar sands.

In other words, if some political party should decide that Canadians, because of our reserves, are entitled to a lower price than the international price, that would be well and good and I would not object to such a political decision. However, how much lower the price should be

would have to be determined by our desire to remain forever and a day self-sufficient in respect of energy. I think every Canadian must agree with this, and say that if we have the known reserves let us not ever be subservient to the Arabs in the Middle East. Let us never be placed in the position the United States is in now, of having to depend on others for 7 per cent of our consumption. That country is subservient to the Middle East nations.

If we should reach a decision that we will always, in Canada, be prepared to supply Canadians with energy at something less than the world price, I would not object, but let us not merely pick a figure out of the air as the Minister of Energy, Mines and Resources (Mr. Macdonald) has done. At one time he said $4 was good enough. Then the figure was $6.50, and finally the minister changed the criteria and other things.

We should tell those in the industry the criteria on which our decisions will be based so that they can go ahead with some degree of confidence that the rules of the game will not continually be changed. If they go to the United States, they know the rules. If they go to the Middle East, to the North Sea or to Indonesia, they know the rules. One major country in the world which can remain self-sufficient forever and a day is Canada. Yet we are creating a situation in which the industry does not have any confidence in our rules of the game because these are changed regularly.

Several months ago the price was $6.50 for a 15-month period to end on July 31, 1975. Now we do not know whether the period will be shorter, longer or what. I say that the first decision we should reach on this oil question is that we will remain self-sufficient in respect of oil, and will price it for Canadians at something less than the international price, but that we will lay down some kind of criteria to which the industry can relate so that it will be absolutely clear concerning how that price is to be reached.

The National Energy Board was brought into being by the Conservative government some years ago. The board believed this was what should be done in order to create some kind of confidence on the part of industry. Today that board has become the tool of the present minister of Energy, Mines and Resources. It answers to him while it is supposed to answer to the Government of Canada. It is not supposed to answer to the whims and fancies of some particular minister who may be here this year and gone next year.

An hon. Member: One can always hope.

Mr. Horner: Yes, I had a great deal of hope that he would be gone after the second last election and also the last election, but he was able to survive. But the Prime Minister (Mr. Trudeau) might move him to the Department of Finance tomorrow, and he would be involved in something else. Of course Canada would also be into something else in that case. Again, the Prime Minister might drop him completely from the cabinet. That is an encouraging thought. In any case, the survival of any minister in the cabinet lies in the hands of God, in this case the hands of the Prime Minister.

● (2030)

An hon. Member: He thinks he is God.

Mr. Horner: But I don't. What I am really trying to point out is that the whole concept behind the National Energy Board was to create certainty in the market and a degree of understanding as to what we are going to do with our energy. That understanding has been seriously eroded under the present minister. Regardless of whether I convinced anybody of anything tonight, I want that fact firmly established.

An hon. Member: Hear, hear!

Mr. Horner: Thank you. That should be clearly established in the mind of every Canadian. The minister has eroded the effective work of the National Energy Board. He has made the National Energy Board into his puppet, and that cannot serve the industry in the years ahead, nor can it serve Canada. It distorts completely the whole purpose of the National Energy Board.

If you have followed me so far, Mr. Speaker, then you will agree that you and I have reached the decision that Canadians should be self-sufficient with regard to oil, and that they may well deserve a lower price than the international price. How can we best arrive at that? By creating some degree of understanding between government and industry; in other words, letting industry know what rules should be followed.

I want to advance a theory as to how much lower the price should be in Canada. The various prices that we have heard mentioned have meant nothing to me so far as some kind of a price level is concerned. These were the prices that the minister pulled out of a hat and on which some agreement was reached between Alberta and Saskatchewan and the consuming provinces, namely, Ontario and Quebec. That is not good enough; it is only a temporary decision reached temporarily by a minority government.

We should examine our known resources. Our known resources and reserves are really the Alberta tar sands. We should examine very closely what it takes to produce a barrel of oil from the tar sands and how much those costs go up every year, because inflation plays a very important part in the development of the tar sands, which development is work intensive.

The development of the tar sands will not be a simple task such as drilling a hole and finding pools of reserves some thousands of feet below the ground. It is work intensive, which means that a great deal of machinery and a great amount of momey will be needed. If you reach that conclusion, then in setting the price of oil, if we want to remain self-sufficient in energy, account must be taken of the falling off in 1983, and therefore the price must be such as to encourage development of the tar sands, and it must be a price that is adjustable, taking into account inflation.

The next question one should ask oneself is what is the cost of money, and what will be required in order to entice money for the development of the tar sands. That is the X in the equation. It is a difficult question to answer. Are there any answers today? Have we failed or have we

perhaps over invested in the tar sands? The obvious answer lies in what Shell did.

We have had three major commitments to develop the tar sands: the Great Canadian Tar Sands Company, Syncrude, and the Shell project. Shell International, the American part of Shell, has said no to the further development of the tar sands. Whether or not I like it as an Albertan, or as a consumer in Ontario, I should realize that that is an indication that our oil prices have not encouraged further money going into the development of the tar sands.

There is obviously one conclusion to be reached: that the price should be below the international price but that it should be higher than it is at present or we will become subservient to the Middle East and to the Arabs by 1983. This is elementary.

The minister, in examining this bill, owes the industry one thing: to tell them how he sets the price today, how he will set it tomorrow, and how he will set it the day after tomorrow. We can then conclude whether government intervention under this piece of legislation is wisdom or folly for Canada. If he does not give the industry that equation, then no matter how pious his dreams may be, and how pious the dreams of most members of parliament are, this piece of legislation will not serve Canada well in the years ahead.

I wish to return to the solution of the problem regarding what is X, and how much X represents. Let us look at the energy requirements of Canada in the years ahead. It has been said that by 1975-76 Ontario will be running short of gas. If we are thinking Canadian, let us ask ourselves why that will occur since now we have ample supplies of gas. Let us consider what is the production formula, and what is the concept of the government in that respect.

In April of last year gas was not included in the legislation. Why is it included now? Will the federal government's intervention do anything to clear the air with regard to gas and oil sales? Let us look at the gas situation for a minute. A tremendous fight is going on, beneath the surface, with regard to gas and gas sales in Canada. I suspect that the minister is fully aware of it.

Let us take a look at the situation. We have TransCanada, a major pipeline company, assisting in the movement of gas from the producing to the consuming areas. In my belief TransCanada should be declared a common carrier. It is a common carrier of a commodity. This is as elementary as the fact that CNR is a common carrier—the term being of particular significance to anyone connected with transportation. This means that TransCanada Pipelines will carry gas for a price, regulated by the board, to a destination which TransCanada is able to serve. Then we have Pan Alberta, a buyer of gas, purchasing gas in Alberta. About 50 per cent of that company is owned by the province of Alberta. But that does not matter, they are a major buyer. Why did they become a major buyer?

They became a major buyer because some years ago the premier of Alberta saw that gas was selling at 16 cents a thousand cubic feet and he wanted to double the price to 30 cents. This happened before the energy scare. The premier of Alberta was considered to be a terrible fellow, one of the worst. But if you examine the situation, he was just a little ahead of the game.

What is the dispute now? It is pretty well accepted that here in Ontario, in the consuming area, Alberta gas will sell from $1 to $1.25 for a thousand cubic feet. Pan Alberta is bidding for gas at 65 cents a thousand cubic feet, in other words, what is called in the oil and gas language, the field price. TransCanada is bidding 60 cents. There is a neat dispute going on to decide if TransCanada is a common carrier. If it is, then it has to carry Pan Alberta gas; if it is not then it can shut out Pan Alberta and the result will be that Pan Alberta will not be able to deliver what it sells.

● (2040)

This House just sent to committee a bill which was designed to create more competition. If we believe in that, then we have to say of this question that it creates a greater degree of competition and that is what would best serve Canadians. It is then obvious to any thinking Canadian that TransCanada must be a common carrier, and must serve all of the competing purchasers of gas. This is an elementary question which must be settled, and when this bill goes to committee I hope that witnesses will be called in order to help solve it.

The other question I want to deal with is the matter of the supply of oil, gas and energy to the North American continent. It looks as though the Alaska pipeline to Valdez is more probable today than it was last April, when it had a projected capability of 1.2 billion barrels a day. That has been increased now to a capability, when completed, of two billion barrels a day moving into the United States. That will account for about 20 per cent of the U.S. shortfall, or U.S. imports. Mr. Speaker. Thus we can see a major demand for capital in the oil industry in order to complete the Alaskan pipeline rapidly.

If one is to study the whole question of Pan Arctic, one has to study the question of government intervention. It may be said that Pan Arctic was a dream child in order to establish federal sovereignty in the north. That may be so, but is hardly a good reason for private industry to invest money in the Arctic without assurance of a good return on it.

At the moment the industry would seem to favour curtailment of exploration by Pan Arctic because there is a great demand for further exploration in the northern United States, the Middle East, and everywhere else. Pan Arctic has made some interesting discoveries of gas, but if it is to become a successful exploration company a time should be set when the product can be expected at market. Right now the time frame is the mid eighties—say 1985. That means the pipeline from the Arctic would have to be constructed in 1980. I do not say, Mr. Speaker, whether it should be in eastern Canada or western Canada, although it seems obvious now that it will probably go through eastern Canada—through Quebec into the New England states.

We have told the Americans that eventually we will not be giving them any oil at all. That statement is not going to help solve the cost of money for our energy quest. We need to tell the industry what we are going to do. Will some of the Pan Arctic gas be made available to the

midwest? If not, we should tell the industry, but if some Pan Arctic gas will be made available to the United States we should say that too. It might help solve the quest for money.

There is the tremendously complex engineering problem of building a pipeline across the Arctic ocean to the North American continent to be considered. The deepest pipeline known in the world today is something like 400 feet down, but in the Arctic it would be necessary to go down 800 feet. The best expertise possible is needed. We will not get that unless we can say that a certain percentage of gas from the Arctic will be available for export. Surely if we can look ahead one year and say that Ontario will be short of gas next year, we should be able to say what Canada will be short of in the years to come.

The Acting Speaker (Mr. Penner): I regret having to interrupt the hon. member but the time allotted to him under the Standing Order has expired.

Mr. Horner: Mr. Speaker, I wonder if I could just finish my remarks.

The Acting Speaker (Mr. Penner): The hon. member requests consent to continue his remarks. Is there unanimous consent?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Penner): The hon. member for Crowfoot.

Mr. Horner: Mr. Speaker, I want to assure the House that I appreciate the privilege given me. I would not want to threaten hon. members with the thought that I had just warmed up to my subject, however. It is one I have become very interested in, and I have nailed down a number of very important questions facing the Canadian people today, questions which their government must answer.

In the last few minutes I have been trying to solve the problem of where the money for further development in our country will come from if we are to be self-sufficient in the 1980s, and to find the "X" in the equation. What did the government do in the case of PanArctic recently? Bow Valley Industries wanted to sell 2.2 per cent of PanArctic to SOQUIP, the Quebec government oil company. Remember we are trying to find the "X" and solve the equation of the cost of money in our energy development exercise. The federal government said no. Why? Because it felt a provincial government might interfere in the decision of the exploration route for pipelines, etc. in regard to PanArctic development.

PanArctic has not sold a thing, and will not sell a thing until the middle 1980s, yet the government jealously guards the power it has, and wants no interference from any province. How sensible was that decision? It created difficulties in the quest for money because it excluded a major supplier of money. I recognize, as a Conservative member of parliament, that provincial governments are major suppliers of money, being major collectors.

● (2050)

When a province of this country wanted to acquire a 2.2 per cent interest in PanArctic, the federal government refused to acquiesce. It did not want to give up any part of its power. Surely the Minister of Energy, Mines and Resources is not so hungry for power? It might be logical to say, in the banking business, that no shareholder shall control more than 10 per cent of outstanding shares. But surely it would do no harm to allow a province even a 10 per cent share in PanArctic. Ten per cent is a nice round figure.

An hon. Member: How about 5 per cent?

Mr. Horner: I prefer 10 per cent. It is an easy figure to deal with, Mr. Speaker. The government refused the request of the province. In my opinion that was a mistake. Why, Mr. Speaker? Any decision made by PanArctic must be supported by at least 60 per cent of the voting shares. The federal government owns 45 per cent of PanArctic, which means that it has the power of veto. If Quebec, owning 2.2 per cent of PanArctic, were to insist on the construction of a pipeline or on exploration in a certain area, then the federal government, which owns 45 per cent of the company, can veto that suggestion, because 60 per cent of outstanding shares would not vote in favour.

Also because of a lack of an in depth study the federal government foolishly stopped the sale of Bow Valley Industries to the Quebec oil company. In so doing it failed to give encouragement to the oil industry, which must remain viable if Canada is to remain self-sufficient in the years ahead.

Owing to the demand for energy, three major pipelines, the Alaskan Pipe Line, the Mackenzie Valley Pipe Line and, probably, a pipeline from the Arctic to the large consuming areas of North America, are to be built. Building them will place a tremendous strain on the international supply of money, especially on oil money. Some say, "Why not use Canadian money?" Social Crediters argue that you only need to print the money. If you did that, it would not have any value and would simply accelerate inflation.

Let me discuss the Sarnia-Montreal pipeline, which may or may not make energy available to areas east of the Ottawa valley. Personally I have never advocated the building of that pipeline, and I said so when we discussed it last winter in committee. I doubted that it would be built. I remember the Minister of Energy, Mines and Resources saying that it would be built and would supply Quebec and the Montreal markets with oil "next year." Well, "next year" is here, and the pipeline has not been built. It has not even been started. Why not? I will tell you why not, Mr. Speaker. Nobody is prepared to guarantee that it will carry oil, that it will be used.

We have heard much in this debate about the two-way pipeline to be built between Sarnia and Montreal. One day it will move oil from the west to Quebec, and the next, so say some, it will move oil from Quebec to Ontario. Mr. Speaker, you cannot reverse oil flow by flicking a switch, as you do on an electric motor. Building a two-way pipeline is a major undertaking, and a very costly one. It will not be built unless the pipeline company is guaranteed a

certain amount of revenue. So, we are once again back to the old equation.

The question is: how much money will this country need to solve its energy difficulties? The point is that building a two-way pipeline between Sarnia and Montreal requires a great deal of money, money which is in short supply. The question then is: is it necessary to build a two-way pipeline and, is the pipeline in itself necessary? That is a political decision. The oil industry will not build the pipeline if it fears that the government will intervene in the market. It is afraid that it will supply the Montreal market one day, and the next day cheaper oil will come in from the Middle East, Venezuela, Mexico and elsewhere, and undercut the market. So the oil industry will not build a pipeline unless it is given a guarantee that it will provide the oil for the eastern Canadian market. Otherwise the Sarnia-Montreal pipeline may not produce a return on investment.

Actually every major pipeline built in North America has been built under a guarantee that it will be used. A similar guarantee was extended to the Pine Point railway which serves the north. We said that we would guarantee that a certain number of tons would move over that railway every year. Similarly, when the St. Lawrence Seaway was built, guarantees were extended. We said that we guaranteed the movement of a certain tonnage, for a certain charge, through the system each year.

The oil companies are merely saying, "Give us the guarantee and we will build a pipeline; otherwise we shall lack confidence in the stability of the market and will be reluctant to build the pipeline." If that does not make sense to any particular member of this House, I say that he has not invested a dollar in anything and is not worth the pay he is drawing. So, if the pipeline is to be built, the government must extend guarantees that it will be used. That is a political decision.

I will not abuse the courtesy of the House. I appreciate the time which has been made available for me. I shall save further remarks for the budget debate. But let me say that in the previous budget the government undermined confidence when it said that royalties that oil companies pay to provinces will not be deductible from the income tax those oil companies owe the federal government. I will not deal with that subject at present. We shall see the government's position when it brings down the budget on November 18.

Surely the government recognizes the uncertainty which the previous budget created. We shall not solve the mythical equation I alluded to earlier with such budgetary policies. That is not the way to provide the money Canada will need if we are to remain self-sufficient in oil after 1983. I, members of this House, and people across Canada will be listening to the budget on November 18, to see whether the government is willing to help you, me and the rest of Canadians solve the problem of energy.

● (2100)

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I am glad to participate in the debate on Bill C-32, the petroleum administration measure. I have listened to some of the speeches. As this debate progresses to committee of the whole stage, I must say I feel a lot of sympathy with

[Mr. Horner.]

Alice in Wonderland, her reactions to the Mad Hatter and to the perambulations of the animals in the animal kingdom in that story.

We are talking about oil and gas. We are getting heavier in its use and shorter on its supply, be it in Canada or any other part of the world. Yet we get involved in the detailed and constitutional machinations of this petroleum administration bill which, while laudable in one sense by trying to bring some order in a centralized way to the petroleum industry, will be and is divisive. It has already had a negative effect in doing what all countries of the world will have to do for their own survival, that is, build up security of supply. They must try to develop as much supply as they can economically within their boundaries.

Clauses 36 and 52 give the minister unilateral power to establish prices for crude oil and natural gas without consultation. This is in complete violation of the constitution. It makes one wonder what we are trying to achieve.

It is rather unique that we are debating this bill at this time. The Secretary of State for External Affairs (Mr. MacEachen) and the Minister of Agriculture (Mr. Whelan) are at a food conference in Rome, where the nations of the world are trying to define some overall plan to help the starving millions on this globe.

Not too many months ago there was a world population conference in Bucharest. The nations of the world tried to see what they could do about the exploding population, especially in those areas where many of the newborn will not see many new days in terms of our mortality tables.

We have the ingredients for an explosive situation that is just as volatile as the subject matter of this bill, be it gas or oil. We have an exploding population and we are trying to develop food resources to feed them. As hon. members know, we live in this finite globe. We knew this before the Club of Rome decided there was something called limits of growth, yet all governments of consuming oil countries in the western world still persist in keeping their heads in the sand, believing that oil and gas will flow from now until doomsday.

This bill does not get down to the basics. I wish to point out several areas of concern.

I see the Minister of Communications (Mr. Pelletier) is leaving the chamber. That is interesting because I was going to mention, in a most unprovocative way, that that minister should be engaged more strenuously in discussions with the provinces on the traditional problems connected with broadcasting, especially cable. If that minister tries to bring in a bill that unilaterally tries to do, in broadcasting and cable, what this minister is trying to do in the petroleum and gas industry, some parts of this country would forever foreclose. They would lock out any federal minister who came to discuss jursidictional problems in broadcasting or cable.

We are talking about natural resources in the provinces. As I say, this bill makes a mockery of the constitution. It is a beautiful example of how the Prime Minister (Mr. Trudeau) wants to revise the constitution and bring home the monitoring formula which he talked about in the Speech from the Throne debate. Why worry about the monitoring formula? Why worry about revision of the constitution when a minister, masquerading as the savi-

our, in introducing this bill in the last session in response to the Middle East crisis, tried to assure Canadians we do have oil and gas. Using that laudable objective, he produced this constitutional deformity which will do more to erode constitutional consultations than anything in the past 20 years. As I said, it makes a mockery of Victoria.

We can forget about constitutional reform. The Prime Minister better not continue to hoodwink the press and the people of this country into thinking he is sincerely interested in constitutional reform or in an amending formula. I could go on with more of these paradoxes of the Prime Minister and this government, but I would get a little emotional.

I was going to be non-provocative tonight because I believed another bill was then being moved forward, but I can see how the Canadian public and the fourth estate, the press, are being hoodwinked, sometimes by the philosophy but more often by the platitudes of the Prime Minister.

When in Brussels the Prime Minister talked about supporting Nato. He knows our support has been at such a marginal level that it makes a mockery of every protestation of support for Nato.

When the wandering troubador called the Minister of National Defence (Mr. Richardson) finally comes back from his Middle East junket and gets out of the casbahs of Tangier and Cairo, he should find out what the Department of National Defence is doing in this country. He should condescend to visit the troops in this country where the majority are, rather than making these headline seeking globe trotting trips to try to shore up a faltering ego. He knows he is not doing justice to defence in this country.

The nationalists talk about sovereignty, *Reader's Digest*, *Time* magazine and *Saturday Night*. The Minister of National Defence and the Prime Minister know that at this time we are not doing anything in surveillance off the east or west coasts compared with what we were doing six months ago. How can we have sovereignty in the north when there will be no maritime command flights in the north until the end of this year? When Canadians appreciate what is being done they will start to wonder how true and reliable are these things.

I have been talking about the paradoxes of the Prime Minister. I shifted to external affairs. I was relating the paradoxes in petroleum and gas and constitutional problems as they sometimes have a relationship to other areas. I notice Your Honour is getting uneasy. I was just getting wound up. I would like to develop that, but I will come back to the subject matter of the bill.

First and foremost in this bill there is the fundamental encroachment on provincial rights. It is a mockery of constitutional reform that should make any parliamentarian, and indeed any Canadian, sit up and listen with a great deal of interest to what the minister proposes in committee to resolve this question.

● (2110)

The Minister should look at clauses 36 and 32 and renounce those arbitrary powers which make him more influential with regard to energy than King Midas was with regard to gold. Of course, there is a difference. Everything King Midas touched turned to gold, but unfortunately when the minister touches things they do not start to gleam and become valuable. They become strange and mixed up. He reminds us of that character in the Li'l Abner comic strip who is followed everywhere he goes by a black cloud. We remember the days when, as "old Thumper", he was demanding changes in the House rules to bring forth a new day. We remember how we battled throughout the long summer heat of July, until finally there was some recognition from across the way and the "Thumper" of that day was put out to pasture.

Here is a government with an anti-industrial bias, whether in the west or in Atlantic Canada, which is forcing exploration teams to other jurisdictions, whether to the south, to the North Sea or elsewhere.

Turning directly to affairs in eastern Canada, let me say that the whole question of jurisdiction over offshore drilling is far from being resolved. No progress has been made. Despite all the powers the federal government presently enjoys in this area there has been no real progress, although attempts have been made from time to time to reach agreement on how yields might be shared.

We in the maritimes believe that offshore mineral rights belong in the first instance to the jurisdiction most directly concerned, though obviously it would be possible to set up a centralized marketing agency charging administrative costs and so on. Yet here we are, moving into a brand new field before any success has been achieved in tactics to reduce a major source of disagreement in this area. Is it any wonder that we in the east are very reluctant to give these powers to the minister, in view of this inability to resolve some of the problems which have faced us for the last 20 years?

As to the proposal to construct a pipeline, I would remind hon. members that my party came out with a firm recommendation that a pipeline should be built from Sarnia to Montreal as long ago as 1969, as a result of a so-called thinkers' conference arranged through the energy and imagination of my hon. friend from Qu'Appelle-Moose Mountain (Mr. Hamilton). I say "so-called" because I happened to be there—greater thinkers than I were present.

I would point out that there have been three wars in the Middle East since 1947. There have been wars in that region right back to biblical times. I do not wish to sound depressing but men have not died peacefully in their beds in the Middle East since the days of Jesus Christ, and I question whether they are going to die peacefully in their beds in the not-too-distant future. Mr. Kissinger, who has been trotting around the globe faster than the Globe Trotters, has not been able to arrange a firm peace in that area, and Canada's own vote in the United Nations when we encouraged the Palestine Liberation Front, allowing them to appear at the United Nations, did not help the situation. However, I shall not go into that aspect of the matter. I suppose the idea of the pipeline will come up again during the next war in the Middle East; perhaps it will start up again before the end of the year.

One of the departments interested in these developments is, of course, the Department of National Defence. It may not do very much under its present minister and perhaps, according to him, it does not have any problems.

However, you and I, Mr. Speaker, know it does have problems. But what does the government do in its infinite wisdom? It seconds the deputy minister of that department and makes him the chairman of the task force to build a pipeline from Sarnia to Montreal. We deprive the department of his talents, and put him into a task force to build a pipeline. He must have been lassoed pretty well. Some hon. members may recall the days of Tonto and the Lone Ranger. They used to lasso the good guys and the bad guys. This deputy minister must have been well lassoed around the old jugular, the old vocal chords, because we have not heard of him since then. I do not know whether he has yet produced a report on the pipeline. In fact that pipeline may have the same place in Canadian history as the old ICR in our history.

Mr. Oberle: Tell us about it.

Mr. Nowlan: I am grateful to the hon. member for that intervention, Mr. Speaker. The ICR was short for Inter Colonial Railway. It was built for security reasons to help those of us who lived in the Atlantic provinces to get to Central Canada, without being cut off at the pass by invidious Americans. You know, these feelings of nationalism did not begin with Pierre Berton or even with Peter Newman. Nationalism has for more than a century been a catalyst in the creation of this tremendous country of Canada. Anyway, the government of that day built the ICR so that the perfidious Americans could not cut us off at the pass—so that we could get to Central Canada, and tramp down to York.

It is for somewhat similar reasons we are now considering the building of this pipeline. We are trying to ensure security of supply. But I venture to say it will take another war in the Middle East before we find out what that deputy minister has come up with, Mr. Speaker.

I do not wish to leave this aspect altogether without reminding hon. members that we may have resources of oil in the east. It is not easy, as I have said, to make much progress at the present because of jurisdictional difficulties—people do not know whether to get a provincial licence or a federal licence, or both. However, the prospect is there, so we say the pipeline should not go just to Montreal but that it should be built further east to ice-free water along the St. Lawrence, so that if eastern offshore oil is discovered in the future the pipeline could be used to pump it from east to west.

● (2120)

Rather than always dealing with the Middle East situation and concentrating so much of our time on jurisdictional and constitutional infighting relating to the central authority versus the provincial authority, particularly on those questions which involve the production of oil, we would be much better to concentrate on questions relating to the research and development of new sources of energy.

Not too many years ago there was a gentleman who taught in parables because he found it easier to make people understand through parables than in any other way. That reminds me of the government, which deals in paradoxes. The government would have us think it is seriously concerned about the supply of oil and energy generally, but it has done very little in the way of providing funds for research and development for other energy sources.

This government's entire emphasis on sciences is bewildering, and I suggest that this is evident in the changes in policy that have occurred in respect of our defence research board and our National Research Council. We continue to see policies change with transfers from one section to another section, with the government playing one department of science against another department of science.

Recently there was a Senate task force in respect of science, and I suggest that confused the situation even more. Now we have a gracious lady who has been given responsibilities in the field of science. I hope she is able to come to grips with this whole science fabrication of the government.

An hon. Member: She has been shifted.

Mr. Nowlan: Well I knew that her grace and charm would not allow her to content herself in those sterile laboratories of science. I am sure that she is now prepared to accept the wider challenges of the environment. She was not there for very long, but she has left behind her, in those areas of science where the federal government has a concern, a very demoralized staff, and I think particularly of the science aspect of our defence forces.

Some hon. Members: Oh, oh!

Mr. Nowlan: Anyone across the way who moans and groans about that suggestion, and is a disbeliever, has not really talked to the scientists in the various sections of the federal government. Be that as it may, where is the leadership in respect of providing increased funds for research and development in the search for new energy sources? I am not going to talk about solar energy or nuclear energy, because we have some expertise in these fields. However, it has always been a mystery to me as a member from Atlantic Canada, representing the riding of Annapolis Valley, which borders on the Fundy Bay area, why the government has not done something about harnessing tidal power.

The Fundy tides are the second highest or the highest in the world, depending on how patriotic one is, Mr. Speaker. I do not know how many hon. gentlemen opposite, or in my party, have read the feasibility studies, or the review of the feasibility studies in respect of harnessing the Fundy tides. One of the facts produced by the feasibility study is that in one tide, in the Fundy Bay, there is as much water involved as the amount of water that flows by Prescott on the St. Lawrence with all the potential kilowatt energy there.

For eons that tide has come in and has gone out. We have had a feasibility study, and a review of the feasibility study. I understand we have now had a third study, or a review of the review of the feasibility study, yet there has been no decision taken in respect of the potential hydro power source in that area. That is a fundamental source of renewable energy. It is a more non-polluting source of energy than any other that I can think of, and it is about time a decision was made.

Having watched various governments in their efforts to solve the constitutional and jurisdictional difficulties in the smaller provinces, we are rather apprehensive about giving any minister, or any government, the right unilaterally to cut through constitutions and contracts in setting prices for crude oil or natural gas. That must be the fundamental objection to this proposed measure. Hopefully there will be some amendments when, and if, the bill reaches the committee.

The government must reverse its anti-industrial bias. I do not suggest that it should necessarily adopt a pro-industrial bias, but it should develop a responsible industrial bias so that we do not continue to force oil drilling crews, be they in the west or in the Atlantic provinces, to move to foreign jurisdictions. That certainly does not assist us in organizing our supply.

In closing I should like to suggest once again that the government give serious consideration to the harnessing of tidal power. We should proceed with the construction of a pipeline, and extend it past Montreal to the Atlantic provinces. That pipeline should have a reversible potential so that petroleum can flow in both directions. We must increase our funding of research and development projects. We must spend more attention and time on developing additional energy sources.

The hon. member for Algoma (Mr. Foster) might well be interested in uranium, but I suggest uranium is just a little pinch in the area of energy source when compared to the potential tidal power in Atlantic Canada. When we see how little progress there has been in ironing out many of our energy problems, one wonders how any member of this House could possibly agree to give the government additional jurisdiction to resolve these problems, particularly when one realizes that these powers will allow the government to cut through the constitution.

I wonder how those members from Quebec, that province where there is great constitutional difficulty and division as between provincial and federal governments, could go along with this bill in its present form. Surely even they will agree that there must be some changes made in committee.

I am sure there are other members who want to contribute to this debate. I hope many of these problems will be resolved when the bill gets to the committee. As I have said before, this whole matter is a little like "Alice in Wonderland". We have a Madhatter atmosphere and on we run blindly.

There are many problems in this country, and in every country of the world, that require immediate solution. I suggest that when the nations of the world get together on our food and population problems, perhaps they can get together also on our oil and gas energy problems. Maybe a solution will be found in Rome to our food and population problems, and that is to be hoped if there is to be any sanity in the world at all.

● (2130)

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

Some hon. Members: Question.

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

Some hon. Members: On division.

Motion agreed to on division, bill read the second time and the House went into committee thereon, Mrs. Morin in the chair.

Mr. Sharp: Madam Chairman, I move that the committee rise and report progress.

Some hon. Members: Agreed.

Progress reported.

* * *

CANADA PENSION PLAN

AMENDMENTS TO DEFINITIONS AND PROVISIONS

Hon. Mitchell Sharp (for the Minister of National Health and Welfare) moved that Bill C-22, to amend the Canada Pension Plan, be read the third time and do pass.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, in the interest of co-operation this party is prepared to let the bill pass without any further debate. We hope this will expedite the business of the House and that due recognition of this move will be given by the government.

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

Some hon. Members: Agreed.

Motion agreed to and bill read the third time and passed.

* * *

BUSINESS OF THE HOUSE

Mr. Sharp: On a point of order, Mr. Speaker, I wonder whether we could proceed to the consideration of Bill C-27.

Mr. McKinley: I, too, rise on a point of order, Mr. Speaker. I understood it was more or less agreed this afternoon that if the House were to pass Bill C-22 that Bill C-4 would be called. I realize the Minister of Veterans Affairs (Mr. MacDonald) is not here, but that was our understanding. There is an amendment at the report stage of that bill standing in the name of the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). If the House would give its consent the hon. member for Norfolk-Haldimand (Mr. Knowles) would move the amendment on his behalf. We would be prepared to proceed in that way, rather than consider Bill C-27 at this time.

Mr. Sharp: Mr. Speaker, apparently there has been some misunderstanding. I was lead to believe by a spokesman for the official opposition that there was a desire to postpone consideration of the bill until the hon. member referred to would be in the House, but we are very happy to proceed with Bill C-4 now.

Veterans Affairs

STATUTE LAW (VETERANS AND CIVILIAN WAR ALLOWANCES) AMENDMENTS ACT, 1974

AMENDMENTS RESPECTING ENTITLEMENT AND ALLOWANCES

The House proceeded to the consideration of Bill C-4, to amend the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act, as reported (with amendments) from the Standing Committee on Veterans Affairs.

On the order:

November 6—Mr. Marshall—The following proposed motion:—That Bill C-4, An Act to amend the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act, be amended by deleting lines 1 and 2 at page 14 being Sub-clause 11(1) and substituting the following:

"11. (1)(*a*) Paragraph 31(3)(*b*) of the said Act is repealed and the following substituted:

"(*b*) who served in the United Kingdom during World War I for at least three hundred and sixty-five days prior to the 12th day of November, 1918: notwithstanding the foregoing requirements of this paragraph, a former member of His Majesty's Canadian forces who has served less than the minimal period so required but otherwise meets the requirements shall be deemed, for the purpose of authorization and payment of an allowance, to be a Canadian veteran of World War I save that the amount of the allowance, having been calculated as if the veteran has served in the United Kingdom at least three hundred and sixty-five days, shall be reduced proportionately to an amount calculated on the ratio that three hundred and sixty-five is to the number of days in fact so served."

(*b*) Paragraph 31(12)(*b*) of the said Act is repealed.".

The Acting Speaker (Mr. Penner): The Chair has some doubt about this amendment. It would appear to go beyond the scope of the bill. There is some question whether it should be considered at this time.

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, in the absence of my colleague, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), I wish to say a few words about this. Before he left he asked me to explain through you, to the House, that he does not want in any way to delay the passage of this very important piece of legislation which promises to do so much for the veterans of our wars. I respect the ruling of the Chair, and I feel that if the hon. member were here he would also realize the correctness of the ruling. As a matter of fact it was discussed at length in the committee.

I think perhaps there are some money items involved in the amendment. On behalf of the hon. member I respect your ruling, Sir, and withdraw the amendment on his behalf, in the hope that the bill will receive speedy third reading and be enacted into law, so that the calculations which are necessary to give effect to this legislation will be done speedily and the veterans will receive their cheques in due time.

I would also ask the minister to take notice of the intent of the amendment. While it goes beyond the scope of the legislation I hope the minister will put into effect the intent of the hon. member for Humber-St. George's-St. Barbe when he placed his amendment on the Order Paper.

The Acting Speaker (Mr. Penner): The House has heard the request that the amendment be withdrawn. Is it agreed?

[Mr. Sharp.]

Some hon. Members: Agreed.

Amendment withdrawn.

Hon. Mitchell Sharp (for the Minister of Veterans Affairs) moved that Bill C-4, to amend the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act, as reported (with amendments) from the Standing Committee on Veterans Affairs, be concurred in.

Motion agreed to.

Mr. Sharp (for Mr. MacDonald (Cardigan)) moved that the bill be read the third time and do pass.

● (2140)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, our attitude toward this bill is the same as the attitude expressed a moment ago regarding Bill C-22. We think both these bills are good and have had sufficient discussion. We are glad to see both of them given third reading tonight.

Some hon. Members: Hear, hear!

Motion agreed to and bill read the third time and passed.

* * *

CUSTOMS TARIFF

Hon. Mitchell Sharp (for the Minister of Finance) moved that Bill C-27, to amend the Customs Tariff, be read the second time and referred to the committee of the Whole House.

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

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it is a pleasure to see such good legislation being expedited through the House. I hope we will have the same success with this bill, which may not capture the imagination of all hon. members but I hope it will capture the imagination of some.

The bill being considered by the House this evening is Bill C-27, which implements the proposed tariff reductions which were before the House at the conclusion of the last session. On October 3, 1973, the Minister of Finance (Mr. Turner) tabled in the House a notice of ways and means motion proposing the temporary removal of the customs duties on certain petroleum products. These tariff changes are set out in Schedules III and IV to the bill.

On January 10, 1974, the minister tabled another notice of motion providing for the extension until June 30, 1974, and in some cases, until June 30, 1976, of most of the tariff reductions on consumer goods which he introduced in the budget of February 19, 1973. These extensions are listed in Schedules I and II to the bill.

These motions were combined without change in a new notice which he tabled in the House on March 1.

In the budget of February 19, 1973, the customs tariffs were temporarily reduced or eliminated on a broad range of consumer goods. These tariff reductions were an important part of a comprehensive program contained in that

budget, designed to provide continuing impetus to economic growth and at the same time to deal with the upward pressure on prices.

In selecting the products on which tariff reductions were made, special attention was given to food and other consumer products in short supply, or subject to rapidly rising prices, or on which tariff rates were higher than average. In drawing up this list of products and in deciding the depth of tariff cuts, care was taken to avoid introducing measures which would jeopardize Canadian production and employment. At the same time the desire was to ensure that the tariff reductions were of sufficient scope and depth to have a dampening effect on rising living costs.

The tariff reductions were introduced initially for a period of one year. Provision was made, however, to restore the tariff on goods to the original level where cases could be established that the reduced duties would result in genuine hardship.

Relatively few complaints were received as a result of the budget tariff reductions, and not all of the objections which were registered were well founded or well documented. In certain cases, where real problems were created, these were resolved by the reduction, by Order in Council, of the duties on materials and components used in the manufacture of end products which were subject to tariff reductions.

The February, 1973, tariff reductions affected trade valued at about $1.6 billion in that year. In line with the assurances given in February, 1973, it was decided that the tariff reductions should not be continued beyond February 19, 1974, on a few products including certain fresh fruits and vegetables, canned fruits and citrus fruit juices. Imports for which the former rates of duty have been restored were valued at under $200 million in 1973.

A number of the complaints which were received were less concerned about the reductions than the fact that they were made on a unilateral basis rather than in return for concessions by other countries. In this connection it was pointed out that the reductions were made for purely domestic reasons and, because they were temporary in nature, they did not in any way impair our future bargaining position.

In the budget speech of February 19, 1973, the minister stated that the tariff reductions would be thoroughly reviewed before they expired in February of this year. The task of monitoring the movement of prices affected by the commodity tax and tariff reductions was undertaken by officials of the Department of Consumer and Corporate Affairs. The monitoring of prices showed that, in general, the benefits of the tax and tariff reductions were passed on in large measure to the consumer.

The government decided that it would be useful to continue most of the tariff reductions until June 30, 1974. The tariff reductions on sugar and related products, however, are being extended until June 30, 1976. These changes, which were based on recommendations by the Tariff Board, are covered by Schedule II to the bill.

Schedules III and IV provide for removal of the duties for certain oil products. The most important products affected are gasoline, aviation fuels, light heating oils and diesel fuel. Heavy fuel oils used by industry are already free of duty under a provision which was to run out on June 30, 1974. It is proposed that this free entry be continued to the same date as that for the other petroleum products, namely, October 23, 1975.

Hon. members will be aware that crude oil imported by Canadian refiners has been free of duty for many years.

In light of the current demand and supply situation for petroleum products, such as gasoline and heating oils, there is clearly no need to maintain the duties on these products. I appreciate that, at current prices, the specific rates of customs duty which vary between one third of a cent and one cent per gallon do not represent a substantial part of the cost on a per gallon basis.

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and the House went into Committee thereon, Mrs. Morin in the chair.

The Assistant Deputy Chairman: Order. The house in Committee of the Whole on Bill C-27, to amend the customs tariff.

Clauses 1 to 5 inclusive agreed to.

On Schedule 1:

● (2150)

Mr. Alexander: Madam Chairman, I just want to ask one or two questions with respect to schedule 1. Recently I had a letter from a constituent who is very concerned about customs duty or tariff applied to sacred music, and I believe it was a point well taken. Some consideration should be given to the importation of such music. I was trying to find some reference to it in Schedule 1, and perhaps because of my age I cannot seem to find it, or perhaps my bifocals are not working correctly. The only thing I can see with reference to music is something about phonograph records.

I should like to know whether any consideration is being given to the importation of sacred music and whether the government is aware of the need? Is there something that would allow us to say there should be a custom duty in order to protect our own music industry? I hope the parliamentary secretary can enlighten me on this. I did send a letter because I know a great deal of concern is registered by Hamiltonians who deal with music, primarily sacred music. I wonder if the parliamentary secretary is prepared to answer or if I will have to await the official answer. I believe it is important that we show some interest in the need for sacred music.

I see the parliamentary secretary is acquiring some assistance, so I will keep on talking until he can get working on it. I believe he heard the plea I am making with regard to sacred music.

Mr. Cullen: Madam Chairman, I must apologize to the hon. member. I was endeavouring to get the information

he wanted from the official. I know that basically this particular bill is a housekeeping item, and I doubt if that particular thing was covered. I want to check to see if it is being looked into, however.

I understand that if the representations have been made a decision would be made on the temporary tariff basis. The official is not aware at this time, however, if the representations went directly to the minister or to the department, but they would be considered.

Mr. Alexander: I think I can inform the parliamentary secretary that my case went to the minister in order to register concern, but perhaps that does not make any difference. I understand the parliamentary secretary is stating that the department is aware of the matter and it will be considered. I should like to be sure, so that I can send copies of *Hansard* to my constituents.

Mr. Cullen: Madam Chairman, knowing the minister as I do, I can assure the hon. member that if that letter is with the minister it will be considered by the department.

Mr. MacLean: Madam Chairman, I have one brief general question for the parliamentary secretary. In the list of reductions there are quite a number of raw materials for food items such as vegetables, potatoes, certain types of fruit that are widely produced in Canada, and such things as bananas which we have to import. Have representations been received from producer organizations of these types of food products, and do the reductions or changes meet with their approval? Have they acquiesced in these reductions in most cases? I am thinking chiefly of vegetables, potatoes and fruit.

Mr. Cullen: Madam Chairman, representations were made, and as a result the ad valorem rate was removed. The rate is being restored on asparagus, cucumbers, tomatoes, sweet cherries and strawberries because of the seasonal production pattern of those products. Representations were made and were given effect to in this case.

Schedule I agreed to.

Schedules II to IV inclusive, agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read the third time?

Some hon. Members: By leave, now.

Hon. Mitchell Sharp (for the Minister of Finance) moved that the bill be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

PROCEEDINGS ON ADJOURNMENT MOTION

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

[Mr. Cullen.]

UNEMPLOYMENT INSURANCE—SUGGESTED CLOSING OF SUPPLEMENTARY OFFICE IN EDMONTON—GOVERNMENT POSITION

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, when man bites dog that is supposed to be news. I guess it is news when a politician wants to close a government office instead of opening a new one, but these are unusual times. Government is top heavy in this country. The proliferation of social programs threatens to bankrupt us. The bureaucracy which involves their administration threatens to smother us.

I do not think it is good enough to come here and talk in general terms, so I want to be specific and tell the government it will be aiding the taxpayers, not to mention restoring our faith in the governmental process, by closing the unemployment insurance office in Edmonton-Strathcona.

I am not talking about the main office in downtown Edmonton which is capable of serving the whole city. I am not talking about reducing UIC benefits to those who have a legitimate claim. What I am talking about is the superfluous bureaucratic excess which exists in the year old UIC office—the second one in Edmonton—which occupies a floor and a half, plus store front, of the most expensive property on Whyte Avenue in Edmonton.

● (2200)

On October 23 I raised this matter with the Minister of Manpower and Immigration (Mr. Andras), following previous correspondence which he was good enough to acknowledge, in which I had made representation to him that the office should be closed on the basis of a study I had done about its usefulness. He said at that time that, if my observations were proved valid, he would not fail to use the opportunity to reduce the service. Following that I went around and had a long conference in the office with Mr. H. Verheijen, who is the district manager in Edmonton, and with Mr. Jack Nicol, who is the manager of the Edmonton-Strathcona office. This conference confirmed me in my judgment that taxpayers would be benefited by the closing of the office.

The number of employees in the office which, as I mentioned, opened one year ago, had been reduced from 81 to 45. The piece load has dwindled by about one-third within one year; so, too has the caseload of the office downtown. My point is, and I think the facts verify this, that the total number of people in Edmonton now receiving unemployment insurance and the total number of employees processing the claims are both less than they were at the time the Edmonton-Strathcona office was opened.

At the time when this office was programmed, unemployment was high and was forecast to remain high. As we know, unemployment in Alberta is today at 1.7 per cent, surely among the lowest in the country, and there are, according to figures released by Canada Manpower, 5,752 job vacancies in the city of Edmonton alone. There are more than 16,000 vacancies in all Alberta. Actually there are substantially more job vacancies than the figures I have mentioned indicate, because some jobs are open but not registered with Canada Manpower. Actually there is a

severe labour shortage in Alberta, particularly in Edmonton.

Only tonight I was on the telephone, talking to employers in Edmonton who assure me right now that people cannot be found to fill jobs open in Edmonton.

The combination of these events has brought us to the situation in which a government service is no longer needed. This raises the interesting question of whether or not social programs enacted by the government to fulfil a legitimate need should be changed, diminished or cancelled when the need changes; or are we stuck forever with a program which is designed to meet the need when the need itself changes?

I contend, and this was reinforced by my visit, that the unemployment insurance service for the people of Edmonton would be just as effective if provided from the central location at dowtown, at a great saving. It costs $575,000 a year to run the Strathcona office. There are 1,500 square feet in this floor and a half of storefront of unused space. There are extra board rooms which are empty of people but full of furniture. They are not being used. The seating arrangement of people working there is extremely loose, and one is under the impression that the management is trying to use all the space available.

We must also consider that the average length of time people are on UIC has dropped from 11 weeks to four and one-half weeks. This reflects the control programs UIC has implemented, as well as the great demand for labour in Edmonton and throughout my own province. I think it is wrong to maintain such expensive service when it is not needed.

Finally, let me add that I wrote to Senator Hastings, of the other place. I thought he could act as a liaison man between Alberta and the government because, as you know, there is a severe shortage on the government side of members from Alberta. I figured that if I could not impress the minister with my own representations concerning Alberta, perhaps Senator Hastings could. So, I wrote to him. I wanted to find out what Senator Hastings could do about this matter.

I challenge Senator Hastings to prove his effectiveness in carrying the Alberta message to the federal government. I challenge him to come to the UIC office and study it the way I did, and they attempt to justify its existence. I challenge him to tell the minister that, if he is smart, he will listen once in a while to what members of this House are saying, because maybe we have our finger on the pulse of Alberta.

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the hon. member in his earlier question referred to the provincial Minister of Labour for Alberta as indicating that there are 40,000 jobs vacant in the forestry and construction industry. Tonight he has given some further figures to try to substantiate his claim. We feel that the earlier figure of 40,000 was not correct and that a more realistic figure would be 12,000 to 16,000. Further, this figure applies to the entire province of Alberta, and is therefore not directly representative of the area served by our Edmonton district office.

From a viewpoint of personal service, which is supported by most members on both sides of the House, discontinuance of the Edmonton south office could prove inconvenient to a significant number of UIC claimants located in the area.

The UIC continuously reviews staff and space requirements in line with operational objectives and anticipated workloads. A recent review has not indicated any potential savings possible in the Edmonton area at this time.

The UIC has already considerably reduced operating costs by effecting a staff reduction of 70 employees in the Edmonton centre office, and 36 employees in the Edmonton south office. These staff reductions represent the difference between January, 1974, and the end of August, 1974.

The UIC review of space requirements has indicated that in total the space occupied in Edmonton meets with the workload requirement expected during the winter, and is well within Treasury Board standards to accommodate the staff levels expected. Prior to the opening of the Edmonton south office the UIC staff's union had raised a number of grievances about the inadequacy of the space available in the Edmonton centre office.

Both the minister and I share the hon. member's interest in ensuring that our UIC offices provide effective service to our claimants within reasonable cost efficiency standards. To this end the UIC will continue to review the workload and staff requirements of all our offices, including the two Edmonton offices, with the objective of maximizing the utility of both the staff and space.

I will ensure that the further facts the hon. member has presented to us this evening will be brought to the attention of the minister and his departmental officials. May I also say it is our feeling that this time of year, with winter coming, probably is not the most appropriate time to close an office. We will review the situation over the winter and possibly consider further action in the spring. I am sure Senator Hastings will be in touch with us. We will take his representations into account as well.

FINANCE—GOVERNMENT ANNUITIES—REASON FOR FAILURE TO ADJUST INTEREST RATES

Mr. Dan McKenzie (Winnipeg South Centre): Madam Speaker, when the Minister of Consumer and Corporate Affairs (Mr. Ouellet) is investigating cases of profiteering, might I suggest that he look into the subject of Canadian government annuities, a subject that despite its extreme seriousness, his colleague, the Minister of Finance (Mr. Turner), has apparently chosen to ignore.

The minister has received countless inquiries, requests and pleas from concerned constituents and opposition members to take some action. The injustices of the annuity plan, which border on government negligence and fraud, have been publicized by responsible members of the news media.

Elderly Canadians have been misled, or perhaps swindled is appropriate, by their own government out of enjoying some form of independence and security in their retirement years. Instead of the advertised reward for their labour and thrift, they find that the monetary results

of perhaps 20 years of diligent toil have been so decimated by the ravages of inflation as to render them useless in coping with today's prices for the necessities of life. The government simply sits back and mutters about a contract being a contract.

When the facts are that a perpetual bond issued in 1936 at $500 is now marketable at a paltry $150, the government says, "We can do nothing," and nothing is exactly what the government has done to arrest the growth of the inflationary disease that is the cause of the worthlessness of these investments.

That was the government's side of the contract, to ensure that the Canadian dollar the annuitants gave to the government for its use would still be worth something when the annuity matured, but through irresponsibility, ineptitude, or both, the government has not fulfilled its half of the agreement, letting inflation stampede ahead unchecked. Therefore the government has an immense moral responsibility to find a fair and just solution for the holders of annuities.

● (2210)

Since the government has these people locked into an annuity plan and there is no chance for them to opt out, it must either bring the annuity interest and payout rates into line with today's prices, or allow the annuitants the opportunity to regain their invested capital so they may reinvest in a program which could contribute some kind of fair return toward their retirement financing. I am quite sure that almost all the people in question would welcome the chance to recover these funds which the government has sequestered and is now making use of at interest rates of more than twice what is being paid the annuitants.

But the government takes no action. As further evidence of the unfairness of this situation I cite the fact that other countries such as the United States and Great Britain have annuity programs with flexible interest rates which are responsive to the current rates in the market place, to ensure a fair return from the program.

At least one private company in Canada offers a tax deductible annuity plan which guarantees 4 per cent compound interest, plus an additional yearly adjusted interest rate determined by the earning record of investments in the previous year. A recent example is an additional payment of 3 per cent, for an actual interest rate of 7 per cent. Not only is there a much more realistic interest rate, but in this plan the principle and the acquired interest can be made liquid at any time by the investor. This is but one example of a private company turning a profit while offering annuity terms which make the government's terms seem criminal by comparison.

But over on this side of Wellington Street it seems that the government's terms cannot be brought up to a humane standard without large subsidies by way of tax dollars. This becomes difficult to believe when one considers the amounts of capital and the interest rates involved. In ball park figures, the government is paying out about $52 million in interest for the use of $1.3 billion. This compares a little too favourably to the $117 million the savings bond plan would have to pay for a similar amount of capital at present interest rates. Moreover, the annuity plan does not ensure return of the principal; this depends wholly on how long the annuitant can survive on his meagre pension and annuity payout, and in practice we find there is no guarantee he will hold out long enough.

[Mr. McKenzie.]

An example is the case of contracts Nos. 160,193 and 429,625 which were combined to produce a monthly return of $100 commencing at age 50, with a 20-year minimum guarantee. At maturity in July, 1973, the annuitant had paid $14,956 in premiums, and interest amounted to $6,227, for an annuity total of $21,183 when the payout began. But after the 20-year period had elapsed, the account would still show $10,683 remaining of the amount of the matured annuity. And if the annuitant were to die, that $10,683 belongs to the government—not a penny to his widow or to his estate. To get his original principal back, the annuitant would have to exceed his normal life expectancy and live to be at least 82 years old. Is this the equitable solution the Minister of Finance (Mr. Turner) claims to be seeking? Does not the gravity of the situation demand that it be more than "kept under consideration"?

The 300,000 unfortunate Canadians locked into this situation need more than feeble excuses to finance their retirement. Rhetoric will not pay their heating bills or their grocery bills. They desperately need responsible government action to improve their plight, and some forward thinking from the other side of the House in order to prevent another investment plan giving cause for honest people to call their government a bunch of swindlers, guilty of fraud and gross negligence, as many people have had cause to do in the recent past when commenting on the present plan.

I would submit that the Canadian government is putting its credibility in serious danger when hard-working Canadians invest in their own government only to find it has been a bad investment.

The Acting Speaker (Mrs. Morin): Order. I regret to interrupt the hon. member but his time has expired.

Mr. Jack Cullen (Parliamentary Secretary to the Minister of Finance): Thank you, Madam Speaker. As the hon. member knows, my time is more limited even than his, and consequently I am not able to respond to all the charges and allegations he has made. However, I know from my own experience that this question has been given very careful consideration by the Department of Finance and by succeeding ministers of finance.

What we have endeavoured to do is resolve the matter, but as the hon. member, I hope, appreciates when he looks at the over-all picture, it is not a simple matter to resolve equitably. That is one of the problems faced by the government in hoping to cope with this kind of situation, perhaps not so much as it affects these particular annuitants, but as it affects others with whom the government enters into contract.

The hon. member may scoff and say that the government falls back on that phrase, that it has entered into a contract, but in point of fact that is precisely what was done. Government annuities have always been sold on a fixed premium basis, with the government guaranteeing, through times of depression or inflation, payment of the contracted amount of the annuity.

The only way the government could index government annuities against cost of living increases would be to require increased premium payments, or by using tax revenue. As I have said to the hon. member, the government has given very careful consideration to such requests. And as he may realize, this would constitute—that is, what is being suggested—an increase in the annuity payments which the government agreed to pay in return for the premiums paid.

A government annuity is a contract, just as is an insurance company endowment policy, or any other contract whereby the purchaser agrees to pay fixed premiums over a number of years to the government and the government agrees to pay the annuitant a fixed amount in return, commencing at some future date. That is the form of contract which has been entered into in these particular cases.

CANADIAN COMMERCIAL CORPORATION—ALLEGATION CORPORATION FAVOURS CERTAIN REGIONS IN MAKING PURCHASES—GOVERNMENT ACTION

Mr. John Reynolds (Burnaby-Richmond-Delta): I am here tonight to talk a little about the Canadian Commercial Corporation. When I attended a committee meeting of the Miscellaneous Estimates Committee and we had the president of that corporation, Mr. Glassford, before us, I felt, as I think did a lot of members of the committee, that Mr. Glassford was ill-prepared to answer the questions we had prepared for him that night. As a result, we put a motion on the floor asking for further information. I am pleased to say that the minister, through his department, saw that our request was met right away. I think there was a lot of important information involved.

I am glad to see the minister has recovered from his illness. We missed the opportunity of having him appear before the committee. I am glad to see him back and, hopefully, ready to answer some questions about the Canadian Commercial Corporation.

I want to quote from the annual report of that corporation, for the benefit of those hon. members who do not know its function. On page 4 we find the following:

> Canadian Commercial Corporation, which is wholly owned by the Government of Canada, was established in 1946 by an Act of Parliament for the following purposes:
>
> (a) to assist in the development of trade between Canada and other nations;
>
> (b) to assist persons in Canada
>
> (i) to obtain goods and commodities from outside Canada, and
>
> (ii) to dispose of goods and commodities that are available for export from Canada—

Another part of the annual report states:

> Canadian suppliers are selected from Department of Supply and Services approved source list;

My main complaint is that the source list from which the Department of Supply and Services operates across Canada leaves a lot to be desired. I think that this corporation has not gone across Canada seeking the advice of companies that could be supplying goods. It seems to have concentrated its advertising efforts in central Canada, that is, in the provinces of Quebec and Ontario. This has been pointed out by the complaints of people across Canada, particularly at either end. They complain that their parts of Canada are being ignored by a centralized government. Possibly that is why it always seems that those parts of the country have more members in the opposition than in the government, no matter which party is in power. Those people feel they are hard done by in such a case.

I would now like to quote some figures from reports we received at the committee's request, showing companies that had tendered for contracts on $10,000 and over with the Canadian Commercial Corporation. We broke them down by provinces to show the amounts and the provinces.

● (2220)

These are figures which were supplied to us by the department. In Prince Edward Island the Canadian Commercial Corporation did no business at all. In Newfoundland 2.3 per cent of the business was placed. Nova Scotia received 4.8 per cent of the business. New Brunswick received .02 per cent of the business. Quebec received 47.9 per cent of the business, and Ontario received 36.7 per cent of the business. Manitoba received 5.3 per cent of the business placed by the corporation. These figures are for 1973-74. Saskatchewan received .02 per cent of the business. Alberta 2.4 per cent and last, but not least, the province of British Columbia, with 10 per cent of the Canadian population, received .4 per cent of the business placed by the corporation.

The amount of business placed by the corporation totals $210,571,315 in the year 1973-74. That is a large amount of business which could be placed in areas of this country where it could do some good.

I think this company should be instructed by the Minister of Supply and Services (Mr. Goyer) to make sure that it co-ordinates its efforts a little more with the Department of Regional Economic Expansion because there might be some businesses which could be put in those areas aided by that department which could fulfil the needs of this corporation.

When you look at a corporation of this size which is doing 85 per cent of its business in the two major provinces, and is doing 15 per cent of its business in six out of the ten provinces, and is doing 15 per cent of its business in eight of the ten provinces, I think this shows the corporation is not doing its work. I would hope the minister would be able to do something about this in the next 12 months so that the corporation will show a business spread equivalent to the population in the major areas of our country.

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Madam Speaker, I had the opportunity to discuss the question with my hon. friend, and I respect his feelings on the activities of the Canadian Commercial Corporation and the fact that the Corporation does not actually buy in every region of Canada.

I have absolute respect for his views. But, as I have indicated, I believe the activities of the Corporation should be brought into larger perspective, that of my department's activities in overall purchasing.

In that context, I would stress that during the 1970-71 period we bought only $100 million's worth in certain areas, while that figure rose to $230 million in 1973-74, and this year we expect to reach the $300 million level, which undoubtedly is an improvement.

Others have also buying power, and that waged by the provinces is enormous. With my colleagues from Western provinces and those from the Atlantic provinces I tried to develop a purchasing strategy for a much closer co-operation between the provincial and federal levels of government.

Fortunately, such action is bringing results. A joint federal-provincial exhibition is scheduled for next February in Manitoba, to tell businessmen there how to do business with provincial or federal governments.

On December 6 of this year, I am going to Saskatchewan to explore the possibilities of holding a similar exhibition there, to better inform businessmen in the province on the sales opportunities offered by both provincial and federal governments.

In the Atlantic provinces, I hope we may develop a similar formula for co-operation, in order that information be made available to businessmen. We supply data through various publications and programs. But, over and above that, I believe if results are not forthcoming, the government should, and I will most certainly try to send officials on the field in order to reach local businessmen.

They show them how to do business with us, what the future opportunities to do business with us are and how they can develop their own company to make it easier for us to buy from them.

It is therefore in that spirit that I would certainly like to decentralize our purchasing in order to make sure that each area of Canada feels really integrated and that opportunities to do business with the federal government are equal for all. It is also in that spirit that, in my opinion, the remarks of the hon. member will most certainly be welcomed favourably.

[*English*]

The Acting Speaker (Mrs. Morin): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at eleven o'clock.

Motion agreed to and the House adjourned at 10.27 p.m.

HOUSE OF COMMONS

Friday, November 8, 1974

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Second report of Standing Committee on Finance, Trade and Economic Affairs, in both official languages.—Mr. Trudel.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

* * *

[*English*]

REMEMBRANCE DAY

TRIBUTES TO MEMBERS OF CANADIAN FORCES WHO SERVED IN WARTIME

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I would like to remind hon. members of this House that next Monday is Remembrance Day, the fifty-sixth anniversary of the day when, at 11 a.m., the guns fell silent along the Western Front. Sadly, this was not the "war to end wars" that we were told it would be. Since that day many more Canadians made the supreme sacrifice in the Second World War and in Korea. In these three conflicts, nearly 115,000 Canadians gave their lives to preserve and protect the freedoms and institutions we hold dear, not the least of them being this House itself. When I look around this chamber and see empty chairs, I am often reminded of the empty chairs in Canadian homes to which so many fathers, husbands, sons and even daughters did not return.

In this connection, I want to inform hon. members that on Wednesday of this week a book was published which will serve as a fitting tribute to those who never came home. Its title is "Silent Witnesses"; in the French language version, "Témoins Silencieux". It tells the story, in words and pictures, of the cemeteries and memorials to Canadian war dead overseas. It is hoped that the book—a joint of my department and the National Museum of Canada on behalf of the Canadian War Museum—will be a source of information and comfort to the relatives and comrades of the dead, and of satisfaction to all Canadians.

Our memorials to the fallen, both at home and abroad, pay tribute to those whose names they commemorate. We are equally proud of, and grateful to, those who returned bearing the scars and wounds of battle. These we also remember on November 11. For these and many others whose lives were tragically altered by war, this nation observes a daily act of remembrance and an acknowledgment of the debt we owe to them through the many programs of assistance to veterans. We can never do enough, but all Canadians can be proud of our achievements in this area and can rest assured that this obligation, rooted in gratitude, is being faithfully discharged.

● (1110)

On Monday we shall remember them in ceremonies across this broad land of ours. It is proper that we do so, for they have earned the eternal respect of this nation.

Some hon. Members: Hear, hear!

Hon. J. A. MacLean (Malpeque): Mr. Speaker, it is an honour and a pleasure for me, on behalf of the official opposition, to join with the minister in the sentiments he has so well expressed. As the years go by and the memories that are vivid to many of us of World War II and the Korean war recede into the distance, it is even more important that the memory of those who made special sacrifices in those crucial days are kept ever green. We should not forget that all of the democratic freedoms we enjoy were preserved by the many, many Canadians who made the supreme sacrifice in World Wars I and II.

These memories will come back on Monday as many of the members here take part in commemorative and memorial services throughout Canada. We certainly appreciate the remarks made by this minister.

Some hon. Members: Hear, hear!

Mr. Arnold Peters (Timiskaming): Mr. Speaker, on behalf of the New Democratic Party, I join in the sentiments expressed by both the minister and the spokesman for the Conservative Party in paying tribute to the veterans who fought in wars gone by. We are proud to pay tribute to them on November 11. The contribution made by those who fought in World War I was made to end all wars, but 25 years later service people were called upon to serve this country, and did so with great distinction again to end all wars.

I hope, Mr. Speaker, that Canadians in the age group that do not remember the contribution made in both world wars will look at the reasons that caused those wars and will make sure that it is never again necessary to send people into battle. The responsibility is now with that age group. It seems to me they can play a better role by seeing that the world is free of war and making their contribution in that direction. They should also take the opportunity on November 11 of paying tribute to the memory of those who secured for them the freedom to make that contribution.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, we join the minister in expressing our gratitude to those who gave their lives for what was called and still is freedom and peace. On two occasions, in both World Wars, Canada has greatly contributed to the victory. We won the wars, but we lost a great many distinguished Canadian soldiers whom we would have liked to spare.

I would like to draw your attention, Mr. Speaker, to the fact that the objective of both wars was to restore peace in the world. The minister has well stated that sadly this was not the war to end wars. It is somewhat like strikes, the end of one is the beginning of another and if today our dead were coming back on earth to see what is going on in Canada, I think that they would rather be still where they are than being worried like Canadians are presently by inflation and all kinds of problems.

Wars do not settle problems. We want to solve problems, but the opposite occurs. It happened on two occasions, but it does not prevent us from being deeply grateful to those who gave their lives for their country, Canada. I also believe that after having commemorated the 56th anniversary next Monday, we should, as soon as Tuesday morning, pass some legislation to avoid wars and guarantee to all the people on earth security with freedom, which would be a token of fair, solid and honourable peace throughout the world.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

SUGGESTED STUDY OF PROGRAMS DIRECTED TO FARMERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jack Murta (Lisgar): Mr. Speaker, I rise, under Standing Order 43, on a matter of urgent and pressing necessity, that being what appears to be CBC policy of phasing out radio farm broadcasting in Canada in favour of a broad, and sometimes meaningless, version of agricultural information and news. It appears that the management of the CBC does not understand the importance of an informative program directed to farm and rural audiences. I would move, seconded by the hon. member for Swift Current-Maple Creek (Mr. Hamilton):

That the matter of program content and direction of farm programming be sent to the Standing Committee on Broadcasting, Films and Assistance to the Arts, and a full and open discussion of this important area be undertaken as soon as possible.

Mr. Speaker: The House has heard the motion which, being proposed pursuant to Standing Order 43, cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be debated at this time.

[Mr. Peters.]

AIRPORTS

PICKERING—PROPOSED DELAY IN HIRING PERSONNEL FOR CONSTRUCTION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I rise pursuant to the terms of Standing Order 43 on a matter of pressing and urgent necessity. My motion arises from the advertisement in today's *Globe and Mail* which reads:

We have a number of challenging positions for engineers who wish to join a team of professionals involved in creating the New Toronto International Airport.

That advertisement for engineers seriously undermines the position of the Airport Inquiry Commission. For that reason I would move, seconded by the hon. member for Hastings (Mr. Ellis):

That this House requests the government to delay any further hiring of personnel to be engaged in the construction of the new Toronto International Airport, pending the final report of the Airport Inquiry Commission.

Mr. Speaker: Order, please. The House has heard the terms of the motion which, being proposed pursuant to Standing Order 43, cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Accordingly, the motion cannot be debated at this time.

* * *

BUSINESS OF THE HOUSE

Mr. Sharp: Mr. Speaker, because of the rapid progress made in disposing of items on the order paper yesterday, the announcement I made about House business has become obsolete. I therefore wish to indicate the business we propose to call today. The first item will be Senate Bill S-13 respecting the boundary between the provinces of Alberta and British Columbia, followed by Bill C-29, the Canadian business corporations bill; if we complete that, we shall follow with Bill C-25, the environmental contaminants bill. If we complete that we may take another look.

● (1120)

ORAL QUESTION PERIOD

[*Translation*]

FOOD PRICES

EFFECT OF USE OF CREDIT CARDS—CONSULTATIONS WITH PROVINCES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs.

Since the food chain stores have traditionally stressed cash payment and since they are greatly concerned with the price of foods at this time, would the Minister tell the House whether he is conducting a thorough study on the use of credit cards and its effect on foodstuffs prices?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker, a study is being conducted within my department, especially in respect of the use of credit cards.

Mr. Stanfield: Mr. Speaker, I have a supplementary. Considering the concern expressed by the Canadian Grocery Distributors Institute and the Retailers' Council to the effect that the extensive use of credit cards would bring about a spiralling of food prices and since this practice is rapidly increasing, why did not the minister ask the people concerned to stop this practice, at least temporarily, until completion of these in depth studies?

Mr. Ouellet: Mr. Speaker, I did not because we are in a free enterprise society where every individual may use the type of payment he feels proper and there is no question of limiting the people's freedom of action.

[*English*]

Mr. Stanfield: One further supplementary. Has the minister raised or does he intend to raise this matter with his provincial counterparts, particularly in view of the effect widespread use of this practice might have on the price of food across the board, that is on the prices paid for food by people who continue to pay cash?

[*Translation*]

Mr. Ouellet: It is an excellent suggestion, Mr. Speaker. I shall certainly follow it up.

[*English*]

EFFECT OF USE OF CREDIT CARDS—SUGGESTED INVESTIGATION BY FOOD PRICES REVIEW BOARD

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs. In view of the impact the use of credit cards could have on food prices in Canada, will the minister ask the Food Prices Review Board to look into this matter on an urgent basis so that we can get some indication of exactly how serious the impact could be?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I wish the hon. member could provide me with proper evidence warranting the conclusion that credit cards have greatly contributed to the rise in food prices. If he could, I should be very pleased to refer this information to the Plumptre board for review.

[*English*]

SUBSIDY ON POWDERED MILK—PROPOSED APPLICATION TO EVAPORATED MILK

Mr. James A. McGrath (St. John's East): Mr. Speaker, it is precisely to get evidence that I asked the minister if he would refer this subject to the Food Prices Review Board which could ascertain if there is evidence. In the absence of the Minister of Agriculture, I will direct my supplementary question to the Minister of Finance who has shared responsibility. Will the government give immediate consideration to a recommendation contained in a report released by the Food Prices Review Board today on food prices in the province of Newfoundland? They recommend that the powdered milk subsidy be applied immediately to evaporated milk. Will the government give immediate consideration to that as that recommendation of the board is something that can be done immediately?

Hon. John N. Turner (Minister of Finance): Yes, Mr. Speaker. I will look at that report right away.

FLUID MILK—SUGGESTED RE-INTRODUCTION OF SUBSIDY

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Prime Minister. The latest consumer price index indicates a very substantial increase of 3.7 per cent in the price of fluid milk from September 1974 to October 1974. Will the government re-introduce the subsidy on fluid milk?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this question has been answered before. The answer is still the same.

BREAD—SUGGESTED INVESTIGATION OF PRICE INCREASES

Mr. John Rodriguez (Nickel Belt): A supplementary, Mr. Speaker. This question is addressed to the Minister of Consumer and Corporate Affairs. In view of the revelation in the latest consumer price index that bread prices have increased by 7.1 per cent since September of this year and noting that Maple Leaf Mills, one of Canada's largest mills, enjoyed a profit increase of 40 per cent in the first nine months of 1974 while sales in the same period increased by only 23 per cent, would the minister order an investigation into bread prices from March of 1974 to the present in order to determine whether the consumer is again being ripped off?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Food Prices Review Board has precisely been established to carry out this type of work. I am sure it is aware of the statistics quoted by the hon. member, and that it will look into this with the same drive it demonstrates generally in fulfilling its assignments.

[*English*]

Mr. Rodriguez: A further supplementary directed to the Prime Minister. Will the right hon. gentleman admit that the lack of investigations and subsidies is due directly to the fact that the government now sits in a majority position?

[*Translation*]

RISING COST OF SUGAR—GOVERNMENT ACTION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to direct a question to the same minister, the Minister of Consumer and Corporate Affairs.

The other night on television, he was answering the questions of interviewers about the rising cost of different products. About antifreeze, for example, the minister suggested a price not exceeding $10, but felt an inquiry should be made.

With regard to the price of sugar, the minister repeated: "We will conduct an inquiry". The minister is conducting an inquiry on about every product. Now, with regard to sugar, as soon as he said that an inquiry would be made, in fact as early as the next day, the price of sugar went up by $3 per hundredweight. Is the minister aware that those companies are laughing at the government and the minister instead of taking the measures required to provide a good service to Canadian consumers?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, if the hon. member watched closely that TV program, he will recall that with regard to sugar, I indicated that it is not an inquiry which is being conducted, but that proceedings have been taken against three eastern Canada refineries. So, we take the matter very seriously since we have taken the matter to court. Besides, if the hon. member is suggesting that there is some profiteering, I will repeat what I said in the House yesterday: When the government introduces a profiteering legislation, I hope the hon. member will vote for it.

Mr. Caouette (Témiscamingue): Mr. Speaker, I wish to put a supplementary to the Minister of Consumer and Corporate Affairs. I readily believe the minister when he maintains that proceedings are being taken against the three largest sugar refineries. But since they are just the same increasing their price by $3 per hundredweight, what does the minister intend to do in this connection? They scoff at the law, at the minister and at the government.

Mr. Ouellet: Mr. Speaker, to my knowledge, Canadians have not voted for a price freeze in Canada. Secondly, when the profiteering bill is passed, we will be able to implement it. If the opposition members had maintained the government in power before the last election in order to enable it to pass that legislation, it would probably be in effect by now.

Mr. Caouette (Témiscamingue): Mr. Speaker, I wish to put a supplementary question to the Minister of Consumer and Corporate Affairs.

The minister urges me to vote with the government for a price freeze in order to maintain profits. I agree, but is he aware that an anti-combines legislation actually exists in Canada and that under its provisions, should the minister or the government bring this problem before the courts, those responsible can be sent to jail? I undertake in the presence of the minister and of the government to vote for the jailing of the thieves who create sugar monopolies in Canada. I shall vote with the minister then.

[Mr. Rodriguez.]

Mr. Ouellet: Mr. Speaker, I think that the hon. member is well aware that sentences are handed down by judges in Canada. In fact, there is an anti-combines act and we invoked it to take proceedings against three sugar companies in eastern Canada.

* * *

● (1130)

[*English*]

PUBLIC SERVICE

REQUEST FOR ASSURANCE UNILINGUAL ANGLOPHONE WILL NOT LOSE POSITION IF IT IS DESIGNATED UNILINGUAL FRENCH

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the President of the Treasury Board and arises out of a speech that he made to the Club Richelieu two or three days ago in Quebec. In light of his statement that positions in the Ottawa area will be opened to unilingual French persons in the near future, will the minister undertake to the House and give us a guarantee, if he will, that no unilingual English speaking public servants who presently hold positions to be designated unilingual French will lose their present positions?

Hon. Jean Chrétien (President of the Treasury Board): Yes, Mr. Speaker.

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

Mr. Speaker: I do not like to be too restrictive but it seems to me that the hon. member got exactly the guarantee from the minister for which he was looking. However, he may put a supplementary.

Mr. Forrestall: Mr. Speaker, seeing that the minister is in such a good mood I thought I might get the other part of the guarantee out of him at the same time. Would the minister also give his assurance that no positions designated unilingual French will be closed to any Canadian who is prepared to learn French?

Mr. Chrétien: Mr. Speaker, I would welcome any Anglophone who wants to work in French.

* * *

POST OFFICE

EFFECT OF REORGANIZATION OF POSTAL CODES—LACK OF EQUIPMENT IN VANCOUVER OFFICE

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I wish to direct my question to the Postmaster General. In view of the fact that individuals as well as business people have spent thousands of dollars printing stationery to include the postal code and are now forced to discard that stationery because those zones are being reorganized, would the minister please inform the House whether this reorganization is now complete and, therefore, save taxpayers further inconvenience and money?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I am afraid the hon. gentleman would have to give me specific instances because his question is very general. We are presently reorganizing the post office on about 35 different fronts, so he would have to be a little more specific.

Mr. Friesen: Mr. Speaker, I do have a specific case regarding which the minister will be receiving a letter momentarily. As a supplementary question, may I ask the Postmaster General this. In view of the fact that the Vancouver post office does not even have the equipment to handle the postal code, does he think this expense and inconvenience was at all necessary?

Mr. Mackasey: Mr. Speaker, there are only five centres in Canada that do have this equipment. We think it is only logical that Canadians be educated to the code before we buy the equipment. So far as letters to the minister are concerned, I prefer to get the letters first through the mail or delivered by hand, rather than read them in the press or hear them in the House of Commons.

SUGGESTED DELAY IN REORGANIZATION OF POSTAL CODES

Hon. W. G. Dinsdale (Brandon-Souris): A supplementary question, Mr. Speaker. In view of the fact that the new automated plants are coming on stream on a staggered basis, would the Postmaster General issue orders that there be no drastic changes in postal codes until such time as the code is actually in operation?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I think I am quite prepared to review the whole situation, as the hon. gentleman suggests. My main problem is not so much the staggering of equipment but the Postmaster General arriving on the job staggering!

* * *

PENITENTIARIES

SUGGESTED RESTRICTIONS ON GRANTING OF TEMPORARY ABSENCE PASSES—GOVERNMENT POSITION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I want to ask a question of the Solicitor General which I address jointly to the Minister of Justice. I ask him this morning whether Gagné, who was given a temporary pass after having been convicted for killing a taxi driver for a theft of $20, has been rearrested. I should like to know who granted the pass and why it was granted. There is presently a high incidence of murder, with two cases in Calgary in one week, one a young fellow 17 years of age who had his throat slashed, the other a child of three, and with a doctor and a policeman killed in Montreal. With the administration of justice now at such a low ebb, is there going to be a change in this policy, or are we just going to continue to drift and make society an unsafe place?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I believe Mr. Gagné was convicted in 1967, at which time the eligibility date for parole was seven years. Since that time we have amended the law twice. The most recent amendment made last year was to fix the minimum parole date at ten years, with the possibility of increasing it up to 20 years. We also put in the legislation the provision that no temporary absence pass can be given until two years prior to the full eligibility date. But that law was not made retroactive; consequently the rules relating to temporary absence passes applying to Mr. Gagné provided that he had to wait three years, I believe it was. The first temporary absence pass that was given to him was five years after he started to serve his sentence. The rules that apply today provide that the minimum period will be eight years, and it could be up to 18 years before any temporary absence pass is granted.

Mr. Woolliams: A supplementary question, Mr. Speaker. The minister talks about parliament passing those amendments. It was a government piece of legislation which was rammed through by the government. I should like an answer to my question. Has this man been rearrested? Whatever the rules and regulations provide, they are always subject to interpretation. This is a serious matter. I am getting dozens of letters from people across the country regarding the high incidence of violent crimes, particularly murder. Irrespective of what the regulations provide, here we have a man who was released and who killed a doctor and a policeman.

Mr. Speaker: Order. The hon. member has put his question; I do not think he should argue it.

Mr. Woolliams: Do you want murder?

Mr. Allmand: Mr. Speaker, as I pointed out to the House, the law has been amended and temporary absence passes have now been restricted quite substantially compared with the situation formerly. I do not think there was any objection in this House last year, when we introduced and passed the capital punishment law, regarding these longer eligibility dates for parole and for temporary absence passes. If I remember correctly, the hon. member supported that part. I think he was suggesting yesterday that there be no temporary absence passes at all, that a life sentence would mean a life sentence, with no opportunity at all for release. We did improve the situation last year.

INQUIRY AS TO REARREST OF ESCAPEE GAGNÉ

Mr. Eldon M. Woolliams (Calgary North): Well, Mr. Speaker, I see the minister does not want to answer the question; perhaps the answer is obvious. I ask him again, has Gagné been found and rearrested?

Hon. Warren Allmand (Solicitor General): Not to my knowledge, Mr. Speaker.

TEMPORARY ABSENCE PASSES—DATE OF APPLICABILITY OF AMENDMENTS TO LEGISLATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have endeavoured to follow the minister in his peregrinations and explanations. Did I correctly understand him to state that the amendments made by parliament in the last two years concerning length of time that an inmate must serve before he can be granted parole apply only to those inmates who were sentenced since the

date of the change in the law, that they do not apply to other inmates who were in penitentiary prior to the passage of the amendments?

Hon. Warren Allmand (Solicitor General): That is right, Mr. Speaker, and I believe the right hon. member voted for the bill to make the rules more stringent. The new rules relating to release on parole apply only to those who were convicted following passage of the law; that very provision is in the legislation. It was felt that it was not right to apply more restrictive rules to people who had been sentenced previously, and I think this is a tradition that is usually followed with laws of this kind.

* * *

● (1140)

HEALTH

STUDY OF MERCURY CONTENT OF FISH IN WHITE DOG AND GRASSY NARROWS INDIAN RESERVES—REQUEST FOR PUBLICATION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in the absence of the Minister of National Health and Welfare and the Minister of Indian Affairs and Northern Development I should like to direct a question to the Prime Minister. In view of the information made public yesterday in the Ontario legislature and on a CBC program that the Department of National Health and Welfare had conducted a study on the amount of mercury found in fish in the Grassy Narrows and White Dog reserve area, an amount 30 times the permissible level, would the Prime Minister discuss with the Minister of National Health and Welfare the making public of that very serious report prepared by the department?

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would like to inform the hon. member that that report was tabled in the House in December 1973.

SUGGESTED COOPERATION WITH ONTARIO IN SUPPLYING NON-CONTAMINATED FOOD TO INDIANS ON WHITE DOG AND GRASSY NARROWS RESERVES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a supplementary for the Prime Minister. In view of the statement yesterday by the Ontario Minister of Health to the effect that his department had suggested to the federal government that it work on a program of alternate food supplies for the Indians adversely affected in that area, which proposal was rejected by the federal government, would the Prime Minister discuss with the Minister of Indian Affairs and Northern Development and the Minister of National Health and Welfare the possibility of working with the Ontario government to supply food which is not contaminated to the people concerned?

Mrs. Iona Campagnolo (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development): Mr. Speaker, the responsibility for developing an alternate economic base rests with the Department of Indian Affairs and Northern Development. However, this must take place in consultation with both the bands and the province and action is being taken on that front at this time. I will refer the matter to the minister who no doubt will have more information for the hon. member and the House in the near future.

* * *

[Translation]

GRAIN

PROPOSED REPRESENTATION OF EASTERN CANADA ON WHEAT BOARD IN VIEW OF FEED GRAIN SITUATION

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I have a question for the hon. Minister of Justice, who is responsible for the Canadian Wheat Board.

In view of the never-ending problem of supply and of the cost of feed grains in eastern Canada, could the hon. Minister tell this House whether he intends to put forward an amendment to the Canadian Wheat Board Act, in order to enable Eastern producers representation on the executive of this Board on which only Western Grain producers are represented?

[English]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the commissioners of the Canadian Wheat Board are not representative of particular areas but of expertise which enables them to do the job of disposing of the grain produced in Canada. It does happen that one of the commissioners was born in one of the central provinces, but that is irrelevant to the situation. The present situation with regard to feed grain is progressing very satisfactorily. The early delays caused by the strike are being made up by the rapid movement of a very large volume of grain into the domestic feed grain market and I have every confidence the needs of the producers throughout Canada can be met given a new degree of alertness on the part of the agencies in this regard.

* * *

ENERGY

POSSIBILITY OF OIL IN GULF OF ST. LAWRENCE IN VIEW OF GAS FIND OFF COAST OF PRINCE EDWARD ISLAND

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to pose a question to the Minister of Energy, Mines and Resources. Is there anything he is in a position to state regarding the indications, if any, of petroleum products being present in the Gulf of St. Lawrence in economic quantities as a result of the recent gas find off the east coast of Prince Edward Island?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to thank the hon. member for notice of the question. The find off East Point by Hudson's Bay Oil and Gas rather than being significant in itself is significant in respect of the addition it makes to geological knowledge. Similar structures apparently do exist in the gulf which if they have similar shows of hydrocarbons would give an indication of a

substantial natural gas field which of course would be of particular value to Prince Edward Island.

* * *

COMMUNICATIONS

CABLEVISION—ALLEGED INTERFERENCE OF MINISTER OF REGIONAL ECONOMIC EXPANSION IN APPLICATION IN NEWFOUNDLAND

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the President of the Privy Council. In view of the recent charges of the Hon. Joseph Smallwood, a member of the Privy Council, and of cable television applicants, of political interference of the Minister of Regional Economic Expansion to delay the development of CBC facilities in Newfoundland and to block a cable television application, would the government House leader consult with the Minister of Communications and the Secretary to State in order to clear the air and remove any suspicion by having this matter referred forthwith to the appropriate committee so that rumour can be resolved with fact and allegation and answer supported by evidence.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I do not know how much substance to give the allegations made by the hon. member, but I will look into the question to see if anything needs to be done. I have great confidence in my colleague the Minister of Regional Economic Expansion, and I am sure he would never act in conflict with his public duty.

Mr. Nowlan: Mr. Speaker, my supplementary is directed to the Minister of Regional Economic Expansion who I tried to reach by phone twice yesterday. I should like to ask the minister, in his ministerial duties as minister in charge of DREE through which he has contractual relationships with the Newfoundland Broadcasting Corporation of which he is a major shareholder and of which his brother is a major shareholder, if he himself would not like this matter forthwith presented before a standing committee of the House so that all these matters can be cleared up once and for all.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, if I am permitted to answer the question, the answer is an unequivocal yes. I am fed up with allegations. I have said categorically in this House and elsewhere that there is not a syllable of truth in it. I am sorry the hon. member was not able to contact me yesterday because I would have been glad to give him all the data which indicates that I have disposed of those shares, except for the action of the CRTC, since December of last year.

Some hon. Members: Hear, hear!

An hon. Member: Withdraw.

Mr. Nowlan: There is no question about withdrawing. Mr. Speaker, this is not a supplementary but rather a point of privilege. I did try to get the minister yesterday. In regard to the disposition—and this is the disappointment because this matter came up two years ago at which time through an exchange on the floor of the House we had been assured there had been a disposition into the blind trust of shares owned by the minister and yet in checking the CRTC records not only of two years ago, or last year, but right at the present time I find there has been no effective disposition whatsoever of those shares under any sort of blind trust pursuant to section 19 of the Broadcasting Act. There has been no hearing by the CRTC, so the statement of the minister in this situation confuses the issue and compounds the rumour—

Mr. Speaker: Order, please. It seems to me that the hon. member began perhaps by seeking information on the subject and is finishing by coming very close to making specific charges against the minister about proprieties and, in addition, is now, in his latter remarks, coming very close to making a specific charge that the minister is misleading the House, whether it be deliberate or otherwise. In both instances, surely the question period ought not be the place for that unless under the usual circumstances the hon. member is prepared to name the minister or any other minister in a specific charge with the usual consequences on both sides.

Mr. Nowlan: Mr. Speaker, you have taken this thing several steps further. The minister said he had an unequivocal disposition to have this matter referred to the committee, but in the latter part of his answer he made a few statements which are not supported by the record. I suggest, and say in this House, there has been no effective disposition of the ownership or control of the shares in the name of the minister.

Mr. Speaker: Order, please. In view of the clear understanding that the purpose of the question was to see whether or not the matter would be aired in the committee, it seems to me with the greatest respect that the details with which the hon. member is now dealing ought to be exactly the kind of thing that is dealt with in a more specific way in the committee.

Mr. Jamieson: Mr. Speaker, may I be permitted a question of privilege. At this stage of the proceedings I do not wish to hold up the question period. I assure the hon. member that I did not try to deceive him. What I said was that disposition had been made as of last December but that the CRTC had not held the hearing. The hon. member knows that kind of process must be undertaken. It is one over which I have no control whatsoever. When the CRTC decides to hear it, presumably it will dispose of it.

* * *

● (1150)

[*Translation*]

AGRICULTURE

MILK SUBSIDY—POSITION OF PROVINCES ON ELIMINATION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in the absence of the Minister of Agriculture, I shall address my question to the right hon. Prime Minister.

In view of contradictory press reports on the elimination of the raw milk subsidy, can he tell the House wheth-

er or not the federal government decided to do away with the 5-cent a quart subsidy at the request of the provinces? If so, will he also tell us what provinces?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as I understand it, for I was not involved directly in the matter, the provincial Ministers of Agriculture all agreed, unless I am mistaken, with the federal Minister of Agriculture to recommend that the subsidy be discontinued for a while. As a result of that recommendation, we decided to do so, which was our policy, but, I stress it again, with which the provincial ministers agreed. Later on, I believe the provincial premiers changed the position taken by their Ministers of Agriculture, but the provinces changed their minds and not the federal government.

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary. As that policy has done much good, especially to low-income families, can the Prime Minister tell us whether the government is considering the possibility of maintaining or reinstating that policy which is truly beneficial to families?

Mr. Trudeau: Mr. Speaker, if the hon. member will recall the early part of the question period, he will see that I answered a similar question very briefly by referring the hon. member to previous answers. The hon. member will then see, through those answers, that the main thing is that we are keeping the subsidy on powdered milk precisely to help the needy families.

* * *

[*English*]

FINANCE

EXPANSION OF CONSUMER CREDIT—RELATIONSHIP TO INFLATION—GOVERNMENT POSITION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. Given the fact that the consumer and mortgage debt in Canada today is at the 90 per cent level with respect to consumer disposable income—and to put the question in perspective, in 1929 the figure was 45 per cent—is the government concerned about this extension of debt and will they bring some action to limit the expansion of consumer credit?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, with a potential for a slackening demand in the next fiscal year, that might not be the appropriate policy, but I will go into that in more detail in the budget.

Mr. Gillies: Is it the position of the government that this incredible expansion of debt has had any relation to the record levels of inflation that we are having in the country now?

Mr. Turner (Ottawa-Carleton): The inter-relationship between those phenomena is a little more complicated than the question would imply.

[Mr. Lambert (Bellechasse).]

FISHERIES

REQUEST FOR GOVERNMENT AID TO INDUSTRY—POSSIBLE INTRODUCTION OF INCOME SUPPORT PROGRAM

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is for the Minister of State (Fisheries). In view of the fact that the fishing industry, especially in eastern Canada, is going through an extremely difficult period because of the markets and because of over fishing on the part of foreign fishing fleets as well as other factors, can the minister tell the House what initiatives will be taken by the government to help the industry? I realize that there is a form of subsidy now for surplus stocks, but does the government intend to take any new initiatives to help the fishing industry over this rather difficult period?

Hon. Romeo LeBlanc (Minister of State (Fisheries)): I wish to thank the hon. member for giving me notice of his question. I hope that after having solved some of the detailed problems I will be able to provide some more information next week of a positive nature.

Mr. Carter: Does the government intend to introduce an income support policy for fishermen because the present Unemployment Insurance Act discriminates against fishermen and contains many inequities? Without some kind of an income support policy it is quite possible that the industry could fail.

Mr. LeBlanc (Westmorland-Kent): It is our intention to introduce an income support program. However, the more I work on this with my officials the more I realize why since 1970 successive ministers and officials have been fighting with this problem. It is an extremely complicated area because of the variety of fishing operations and differences on both coasts.

* * *

[*Translation*]

INDUSTRY

UNITED AIRCRAFT—SUGGESTED PUBLICATION OF DOCUMENTS CONCERNING SUBSIDIES

Mr. Roch La Salle (Joliette): Mr. Speaker, may I put a question to the hon. Minister of Industry, Trade and Commerce.

United Aircraft of Canada Limited is appearing before a parliamentary commission in Quebec, where they tabled several documents. However, the legal advisor representing this company said yesterday that he could not table documents concerning subsidies for several million dollars coming from the federal government, claiming he had not got permission to do so from the latter.

Would the hon. Minister be prepared, for the good of this inquiry and for the settlement of the dispute, to recommend United Aircraft to table these documents and, in the affirmative, could he invite the company to do so as soon as possible?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): No, Mr. Speaker.

[*Translation*]

Mr. La Salle: Mr. Speaker, I have a supplementary.

In view of the fact that those documents seem important for that inquiry, could the minister give the reasons why he refuses to make public the details of the grants which the United Aircraft is said to have received from the government?

[*English*]

Mr. Gillespie: Mr. Speaker, these documents are confidential documents exchanged between the government of Canada and the company involved.

Some hon. Members: Oh, oh!

Mr. Stanfield: So were the tapes.

* * *

AIRPORTS

PICKERING—SUGGESTED MORATORIUM ON HIRING PERSONNEL FOR CONSTRUCTION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, in the absence of the Minister of Transport perhaps I can address my question to the Prime Minister, if he is listening. Like my motion under Standing Order 43, my question to the Prime Minister arises from an advertisement in today's *Globe and Mail* calling for engineers to do design work for runway terminal facilities and sewage facilities at the second Toronto international airport. Would the Prime Minister be willing to have his government initiate a moratorium on the further hiring or advertising for personnel to be engaged in the design or construction of the second international airport until such time at least as the Airport Inquiry Commission has had the opportunity to bring in its final report to ensure that the Airport Inquiry Commission is not reduced to a position of simply being window dressing?

Right Hon. P. E. Trudeau (Prime Minister): I will be glad to refer the question to the Minister of Transport.

* * *

ENERGY

SARNIA-MONTREAL PIPELINE—ADVICE TO STELCO WITH REGARD TO GOVERNMENT'S INTENTION ON CONSTRUCTION

Mr. Lincoln M. Alexander (Hamilton West): I should like to direct a question to the Minister of Energy, Mines and Resources related to the very disturbing headline in the Hamilton *Spectator* reading "Pineline Limbo Worries Stelco". In view of the assertion made by the Prime Minister, I should like to know now whether the pipeline from Sarnia to Montreal will be built and whether the contract with the Steel Company of Canada, which amounts to some $37 million, still stands. Has he advised the Steel Company of Canada of the government's intention?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, sir.

SARNIA-MONTREAL PIPELINE—LACK OF INTEREST OF INTERPROVINCIAL PIPELINE—DISCUSSION WITH GOVERNMENT

Mr. Lincoln M. Alexander (Hamilton West): In light of the fact that Interprovincial has begun to lose interest in the general contract for the pipeline, has this matter been discussed by the minister with the Interprovincial authorities, and, if so, is there any truth in that allegation?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker, it has been discussed. I have responded several times in the House with regard to the principal points that are of concern to the company regarding the financing of the pipeline on the current market. I hope that within a very short period of time we will make arrangements to overcome that particular concern.

Mr. Stanfield: Yes, two or three years.

* * *

ENVIRONMENTAL AFFAIRS

DEATH OF MIGRATORY BIRDS IN TAR SANDS—REASON FOR FAILURE TO LAY CHARGES AND TO RELEASE REPORT

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is for the Minister of the Environment. In view of the news reports and admissions by the Alberta minister of the environment that many shore and migratory birds have been found dead on Syncrude property in the great Canadian tar sands, would the minister inform us why no charges have been laid under the Migratory Birds Act in this case?

[*Translation*]

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, I was not aware of that particular situation. I will inquire and give an answer to the hon. member.

● (1200)

[*English*]

Mr. Leggatt: Mr. Speaker, a supplementary question for the minister. When making inquiries would the minister also look at the complete study which was apparently done by her department into this matter, and would she also look into the fact that the Minister of the Environment in Alberta has indicated that he will not release this report without her consent? Would the minister inquire why a federal government is covering up something that should be revealed to the people of Alberta?

[*Translation*]

Mrs. Sauvé: Mr. Speaker, our policy is to make public the reports presented on matters like those raised by the hon. member.

If the report in question has not been made public yet, perhaps it is because the Minister of the Environment of Alberta has some reservations, namely that he wants to examine some particular aspects of it. However, I will inquire. My policy is to make reports public whenever possible.

[*English*]

POLLUTION IN GREAT LAKES—WORSENING CONDITION OF LAKE ONTARIO—GOVERNMENT ACTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is also directed to the Minister of the Environment. In view of the fact that the International Joint Commission in its second annual report on water pollution in the Great Lakes has indicated some progress in water clean-up in Lake Erie while worsening conditions continue in Lake Ontario, has the IJC and this government in particular given up attempts to make similar progress in Lake Ontario in pollution clean-up as well as the control of highly fluctuating and dangerous water levels? If not, what further steps is this government prepared to take in order to rectify this situation?

[*Translation*]

Hon. Jeanne Sauvé (Minister of the Environment): No, Mr. Speaker, we are well ahead in our clean-up program of the Great Lakes. Our concern is such that, following recommendations of the International Joint Commission, we have made representations to the Americans so that they speed up their own water clean-up program.

Water levels, as everyone knows, are subject to constant study by our services and the International Joint Commission and we keep the matter under close watch.

[*English*]

POLLUTION IN GREAT LAKES—SUGGESTED STIFFER PENALTIES FOR POLLUTING INDUSTRIES

Mr. Otto Jelinek (High Park-Humber Valley): A supplementary question, Mr. Speaker. In view of the fact that all reports, including one from the chairman of the Toronto Waterfront Advisory Board find that Lake Ontario is destined to eventually become just one large marsh, will this government undertake to introduce even stiffer penalties to industries that continue to dump polluted wastes not only in our lakes but in our rivers and will they suggest the same thing to the United States?

[*Translation*]

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, the discharge of industrial wastes in the Great Lakes is subject to regulations that we established in co-operation with the provinces and by which, as far as I know, the industries concerned abide.

* * *

[*English*]

HOUSING

INQUIRY AS TO WHETHER $500 GRANT TO FIRST TIME PURCHASERS TAXABLE

Mr. Jim Fleming (York West): Mr. Speaker, my question is for the Minister of State for Urban Affairs regarding the first time home buyers' program. Present inquiries to my local office indicate some confusion. Can the minister clear up the question of whether the $500 grant for first time home purchasers is or is not taxable?

[Mrs. Sauvé.]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I am pleased to have the opportunity to clarify that. I have consulted with my colleague the Minister of National Revenue and the $500 first time home owners' grant is not taxable.

NUMBER OF UNITS AVAILABLE WHICH QUALIFY FOR $500 GRANT

Hon. Barney Danson (Minister of State for Urban Affairs): While I am on my feet, Mr. Speaker, may I respond to a question the hon. member for Broadview asked yesterday which I was not able to answer in detail. I can offer a little more detail today. It was with reference to the availability of housing which qualifies in this range in Toronto. I do not have a complete list but from a quick scanning of the newpapers, which anyone who can read can find, in the Toronto region there are 190 units in Scarborough, 300 in Islington—

Some hon. Members: Order, order!

Mr. Speaker: Order, please. Perhaps in respect to the other members, the further information might better be conveyed by correspondence. The hon. member for Hillsborough.

Mr. Gilbert: Mr. Speaker, a question of privilege.

Mr. Speaker: The hon. member for Broadview on a question of privilege.

Mr. Gilbert: Mr. Speaker, yesterday the minister said that he had sent me a newpaper showing advertisements for homes listed at less than $45,000 and he restricted it to condominium and row housing. May I say, Mr. Speaker, that I have not received the newspaper from the minister. Probably the only place I would find any mention of the minister would be on the comic page rather than the advertising page.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Gilbert: May I say he is quickly becoming—

Mr. Speaker: Order, please. In fairness, if I am not going to let the minister continue with his side of it I do not think I can allow the hon. member to continue.

Mr. Gilbert: He started it.

* * *

HEALTH

STUDY ON CORRELATION BETWEEN MALE FERTILITY AND WEARING OF KILT

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, in the absence of the Minister of National Health and Welfare may I address a question to his parliamentary secretary. It is prompted by the research being carried on by a leading geneticist at a great Scottish university on the apparent correlation between male fertility and the wear-

ing of the kilt. Can she advise if the department contemplates any such research in this country with a consultative role for the Secretary of State for External Affairs and the hon. member for Hillsborough or do they view the whole project as an exercise in supererogation?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. parliamentary secretary.

Miss Coline Campbell (Parliamentary Secretary to the Minister of National Health and Welfare): Mr. Speaker, perhaps I could bring this matter to the minister's attention and perhaps he could assign me to investigate this matter.

Some hon. Members: Hear, hear!

* * *

HOUSING

DATE OF APPLICABILITY OF $500 GRANT TO FIRST TIME PURCHASERS

Mr. Jake Epp (Provencher): Mr. Speaker, my question is for the Minister of State for Urban Affairs. In view of the statement made by the minister on Friday last, could he clarify whether people who constructed homes during last summer and occupied them prior to November 1, will be eligible for the $500 bonus as indicated?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, it will only apply on those homes on which the deals were closed and the occupants moved in on last Friday or subsequent to that for the next 12 months.

NATIVE AND RURAL HOUSING POLICY—NUMBER OF UNITS CONSTRUCTED—SUGGESTION GREATER PUBLICITY BE GIVEN PROGRAM

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is also for the Minister of State for Urban Affairs and refers to the secret housing policy called the native and rural housing policy. It became secret when a senior official from Central Mortgage and Housing was dismissed because of revelations of the policy late last year. Today the information service of Central Mortgage and Housing indicates to anyone who wants to inquire that there really is not such a policy and that the minister's statement is the only material available explaining such a policy. Can the minister tell the House today how this policy that was announced by his predecessor on March 7 is being implemented and how many of the 50,000 homes promised to Canada's native people and deprived people, have been constructed to date?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, first of all I should like to say that it never moves as quickly as we would wish. There are three provinces that have entered into the agreement with the federal government, British Columbia, Manitoba and Alberta and three projects are under way in British Columbia for a total of 24 units to start. I have had meetings with some of the native people themselves and will have meetings with officials—

Some hon. Members: Oh, oh!

An hon. Member: Twenty-four!

Mr. Danson: —in Vancouver early next month. We hope to see this program get off the ground a great deal faster. It is a matter of some priority to me that there are 24 units in one province. Some of the other provinces have not yet signed at all, unfortunately. We would like to see this program moving more quickly. I give it a high priority and I will be meeting in British Columbia with officials to try to speed up the program.

Mr. Oberle: A supplementary question, Mr. Speaker. Since the minister is obviously experiencing some difficulty in getting this program known to the people who could benefit from it, is he prepared to instruct his department and Central Mortgage and Housing Corporation to bring out information material that could be circulated among those people so that they could take advantage of it or is he hiding the program forever because he is embarrassed about the impact it could have in the housing field?

Mr. Danson: Not at all, Mr. Speaker. I am optimistic about the impact it could have. Certainly, the groups to whom I have already spoken have been well informed on it but I will check the procedure to make sure that more people are informed and that all hon. members are informed as well. Then, they may promote the program in their areas and, perhaps where the provinces have not signed agreements with us, they may encourage them to do so.

* * *

● (1210)

PENITENTIARIES

ST. VINCENT DE PAUL—VISIT TO CELL BLOCK ONE WITH OPPOSITION MEMBERS

Mr. A. C. Abbott (Mississauga): Mr. Speaker, may I direct my question to the Solicitor General. Would the minister, when he visits cell block one, take certain opposition members as well, and leave them there for a period of intensive study.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I will be pleased to do so.

Mr. Stanfield: Specify. Be more specific.

* * *

CANADIAN ARSENALS LIMITED

POSSIBLE CLOSING OF CORPORATION—GOVERNMENT POSITION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Minister of Supply and Services. It concerns a Crown corporation known as

Canadian Arsenals Limited. As it costs the Canadian taxpayer about $3.5 million a year to keep it alive, will the minister advise the House if he plans to close down the corporation.

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I shall soon be in a position to inform the House of the steps we intend to take to reorganize completely Canadian Arsenals Limited, in order to increase our efficiency and to be able to reduce, and perhaps do away with our deficit.

* * *

[*English*]

PUBLIC SERVICE

REGIONAL PAY DIFFERENTIAL—REQUEST FOR EQUALITY OF TREATMENT

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the President of the Treasury Board. In view of the dissatisfaction that an unreasonable pay differential creates for federal employees at Canadian Forces Base Penhold, will the President of the Treasury Board make an effort to see that federally employed personnel receive pay equal to that given to other personnel doing the same category of work in the provincial labour force.

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, we always try to give our employees adequate compensation for the work they do. National rates are often not comparable to the rates in certain areas, such as Alberta or other places. That is why we sometimes ask for regional rates in our consultations and negotiations with unions.

[*English*]

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

ALBERTA-BRITISH COLUMBIA BOUNDARY ACT, 1974

MEASURE TO ESTABLISH COMMISSION TO DELINEATE BOUNDARY

Mr. Speaker: Mr. Macdonald (Rosedale), seconded by Mr. Sharp, moves that Bill S-13, an act respecting the boundary between the provinces of Alberta and British Columbia, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Is it the pleasure of the House to adopt the said motion?

Mr. Baker (Grenville-Carleton): I rise on a point of order, Mr. Speaker. The position of the opposition is that this bill ought to go to committee. The hon. member for Rocky Mountain (Mr. Clark) and the hon. member for Okanagan-Kootenay (Mr. Johnston) have certain reservations with respect to the bill which can be dealt with in committee. We do not intend to hold up the bill at this stage. Our reservations concerning the bill are these. The bill provides for the boundary dispute to be settled by action involving the lieutenant governors of the two provinces and the governor in council, but makes no further provision for the final disposition of the matter.

Secondly, the bill does not specifically provide for public hearings, although one could infer from its language that a public hearing of the kind associated with boundary disputes involving municipalities and provinces is to be considered: there is no direct statement, although the implication is there. I thought I should express those two reservations before the bill goes to committee. We are content to let the bill pass at this stage without hearing from the President of the Privy Council (Mr. Sharp) as, despite our reservations, we wish to co-operate with the government in bringing forward legislation which we consider important, always subject, of course, to our right to express legitimate differences of opinion on important questions of principle. That being so, let me say that we of the official opposition intend to give this bill speedy passage and refer it to the committee.

Mr. Macdonald (Rosedale): Mr. Speaker, speaking on the same point of order, I suggest that the points the hon. member has raised can better be dealt with when the bill is in committee. His substantive points cannot be dealt with satisfactorily on a point of order. I do not know why the hon. member raised the matter in this fashion at this point.

Mr. Speaker: Order, please. I understood that the hon. member for Grenville-Carleton (Mr. Baker) did not rise to make a substantive intervention in the debate at this point but, rather, to indicate that he was speaking on behalf of other members of his party who are prepared to see the bill go to committee quickly. Our present way of proceeding is unsatisfactory because we are restricted by the rules, which do not provide for the sort of exchange that is taking place. If there is disposition to refer the bill to committee quickly, we should let it go to committee. If there is disposition to debate it, we should do so. I see that an hon. member wishes to rise.

Mr. Foster: Speaking on the same point of order, Mr. Speaker, I am not sure that the bill has been properly moved by the minister. If it has, I plan to speak on it.

Mr. Johnston: Mr. Speaker, may I comment further on what was said by the representative of my party, namely, that we do not wish to debate the bill but shall refer it to committee. I represent a constituency which for the past few years has shown considerable interest in the revision of the boundary. Various disputes involving local municipalities and the provincial government have arisen. As members may recall, it was suggested that the boundary between British Columbia and Alberta ought to be revised.

My point in rising is to ask the minister to give some assurance that by sending the bill to committee without debating it, we shall not be raising false hopes in parts of British Columbia. I hope the boundary dispute will not be settled solely on technicalities or by some secret arrange-

ment between the two provinces and the federal government under which the people of the locality involved would not know what was happening. I do not want our action at the moment to be misunderstood by the people who are most directly concerned in any boundary alteration.

Mr. Macdonald (Rosedale): Mr. Speaker, speaking again on the point of order, I think these questions of substance could best be debated in second reading debate and in committee consideration. My colleague, the parliamentary secretary, will be dealing with the background of the bill. Rather than dealing with the actions of the two provinces concerned and the carrying out of our agreement on a point of order, I think we should consider the bill itself.

Mr. Speaker: Order, please. Is there disposition to send the bill to committee, or would the House prefer to hear the parliamentary secretary explain the bill?

Mr. Clark (Rocky Mountain): Mr. Speaker, I do not wish to continue debate under the guise of spurious points of order, but it should be understood that if the parliamentary secretary speaks at this stage I shall wish to avail myself of the right to speak.

● (1220)

Mr. Speaker: Order, please. We must now decide whether this bill shall go to the committee without debate. If the parliamentary secretary speaks, the debate will begin and there is no indication how long it may continue. Is the House ready for the question? The Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. Foster).

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, as I understand it, we are prepared to debate the bill at second reading: we are not in any great rush to send it to committee without debate. Possibly some of the points which members opposite have raised as points of order can be answered at this time, and certainly in more detail in the standing committee. I must say we are very impressed with the kind—

Mr. Peters: Mr. Speaker, I rise on a point of order. This is highly irregular. Either this is without debate, or the debate should be called in the normal manner.

Mr. Speaker: With due respect, we have passed that point. I have already called the bill. I asked if the House was ready for the question, the parliamentary secretary rose and I recognized him. The debate has begun.

Mr. Foster: Mr. Speaker, Bill S-13, an act respecting the boundary between the provinces of Alberta and British Columbia, which is before us today provides for the proper management of the boundary between the provinces of Alberta and British Columbia, especially the sinuous southern section which is defined by the height of land along the Rocky Mountain system. The British North America Act provides the following:

—the Parliament of Canada may from time to time, with the consent of the legislature of any province of the said Dominion increase, diminish or otherwise alter the limits of such province upon such terms and conditions as may be agreed to by the said legislature—

The governments of the provinces of Alberta and British Columbia have recently enacted legislation, to be effective upon the enactment of this bill on the Alberta-British Columbia Boundary Act. The provincial acts allow for conversion of the sinuous—height of land—boundary to a conventional boundary marked on the ground by survey monuments connecting a series of straight lines. They provide for changes in the boundary to be approved by the lieutenant governor in council, and they also provide for the survey, maintenance and resolving of disputes related to the boundary. However, these provincial enactments cannot bring about any desired change in their mutual boundary without similar federal legislation. Consequently, this bill is being introduced to provide the federal authority for confirmation and proclamation of any change that may be made.

The provincial acts and the federal bill provide for the establishment of a permanent Alberta-British Columbia boundary commission comprising three commissioners, one each from the three jurisdictions. That is the two provinces and the federal government. The functions of this proposed commission are to survey parts of the sinuous boundary as may be required, resolve disputes which may arise as to the true location of the sinuous boundary and possibly for other reasons, resurvey the surveyed portions as may be deemed necessary, and be responsible for clearing the boundary and for the maintenance of boundary monuments and markers.

Regarding any alterations to the boundary that may result from conversion of a sinuous boundary to a conventional one, the consent of the two provincial legislatures to the alteration is deemed to be given upon approval by the lieutenant governors in council of the two provinces and the consent of parliament is deemed to be given upon declaration of the boundary by the governor in council. Provision is also made for revising or supplementing the boundary map-sheets when any such alteration may be made.

The main purpose of the provincial acts and the federal bill is to enable quick reaction to resolve any doubts or settle any dispute that may arise as a result of exploitation of minerals which may be found in the proximity of any unsurveyed portion of the boundary. They will permit the ready establishment of a well marked conventional boundary without the rather cumbersome and lengthy procedures that would otherwise result each time a portion of the sinuous boundary had to be conventionalized.

With these few remarks I complete my presentation on this bill. I am sure several members on the opposition side of the House will want to speak to it. When the bill goes to committee we will be able to go into the full detail of all its ramifications.

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I must say at the outset we very much regret that what appeared to be an agreement to expedite the business of this House has now been broken by the commencement of debate by the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. Foster).

Some hon. Members: Shame.

Mr. Clark (Rocky Mountain): It was the understanding, agreement and disposition on this side of the House that we should not take time in this chamber to discuss the details of this legislation which most of us believe can, and should, be adequately and exhaustively discussed within the committee. However, once the parliamentary secretary broke the agreement that was apparently reached by House leaders on all sides, we certainly were not in a position where we could remain silent in the debate.

Some hon. Members: Hear, hear!

Mr. Foster: Mr. Speaker, I rise on a question of privilege. There was agreement to bring on this bill last night, but I am aware of no agreement to put the bill through without debate. That just is not the fact. We wanted to deal with the bill.

Mr. Clark (Rocky Mountain): Mr. Speaker, I am not going to take the time of the House on spurious questions of privilege. It is clear from the remarks of the spokesman for this party, the hon. member for Grenville-Carleton (Mr. Baker), that we were prepared to proceed with this bill. There is, obviously, confusion on the government side. It certainly does not constitute a question of privilege in this House to simply note the government is in confusion. Were that the case, we would be engaged in questions of privilege from morning to night.

Some hon. Members: Hear, hear!

Mr. Clark (Rocky Mountain): Again, I wish to indicate we regret that the agreement reached has been departed from by the actions of the parliamentary secretary. We will not take a great deal of time here, because we think the matter can be dealt with in the standing committee. There are some very important matters in connection with this bill—matters of particular concern to those of us who reside in the provinces involved. There are matters of principle, including the highly important principle of whether public business is going to be discussed in public or whether it is going to be discussed in private as is provided in this bill.

As members of this House who are acquainted with the provinces of Alberta and British Columbia know, there has been a great deal of concern about where the boundary lines will lie, and how firmly they will lie. From time to time there has been conversation about changing the boundaries in a way that would move communities from one side to the other. As one of my colleagues indicated before the debate began, it would be very unfortunate if a piece of legislation were allowed to go through this House which suggested there would be an opportunity, which may not in fact exist, to change the province of residence of certain communities on one side or the other of the present boundary. Therefore, there is now real concern within the provinces affected by this particular boundary.

There is a matter I wish to draw to the attention of the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mrs. Campagnolo) and her predecessor. There is a great deal of concern respecting this bill because many of the boundaries being discussed within this legislation lie within or adjacent to part of the

system of national parks, at least in the area abutting Waterton Lakes national park in the province of Alberta and the adjacent area of British Columbia. There has been concern for some time about the possibility of extending the boundaries of Waterton Lakes national park to portions of British Columbia which contain the kind of interest that should be enclosed within a national park.

● (1230)

This is clearly a matter which might be considered by the commission. We believe that decisions taken with respect to national parks should be taken in public. There is danger that decisions made under the authority of the bill before us could be taken in private, hidden away and ratified by orders in council, without the public being given any opportunity to participate in them or to find out what has been done. This is a situation which we on this side of the House oppose without reservation.

Another matter of great concern is the presence of a variety of proven natural resources within the areas affected by these boundaries. We would not want decisions made in secret to alienate from one province and transfer to another province areas which contain important resource wealth. We hope this concern is not an academic one, although it might be if the intentions of the federal government, approved on second reading last night, are carried forward. For the present, at any rate, the provinces have a primary right to the resources within their boundaries and, as such, natural resources are capable of alienation.

These are some of the matters which will have to be considered. It may be, also, that some citizens desire to shift their province of residence, and this legislation as it stands might cause some of those communities to believe that this kind of transfer will be easier than it is in fact. But the intent of the bill before us which causes most concern is the proposal to establish a boundaries commission consisting of three members, one appointed in secret by the government of British Columbia, one appointed in secret by the province of Alberta—

Mr. Blais: In secret? How is that?

Mr. Clark (Rocky Mountain): The hon. member asks what I mean by "in secret". I mean, without reference to the legislatures of the respective jurisdictions. A third member of the commission is to be appointed by the government of Canada. As I say, these commissioners are to be appointed without reference to any legislature, and they will consider these matters in the absence of any reference requiring public hearings to be held or any kind of public participation. They would make recommendations to the governor in council who would then put those recommendations into practice, again without reference to any legislature or to parliament. Thus, highly important matters concerning the provinces and affecting communities, national parks and resource development could be decided in secret. My hon. friends and I believe this to be a dangerous procedure and we want to consider it carefully in the standing committee.

Mr. Munro (Esquimalt-Saanich): Particularly with this government in office.

Mr. Clark (Rocky Mountain): That is certainly so, because the present government has shown an insistence on secrecy from time to time. In particular, we noticed in the last parliament an emphasis upon making decisions affecting national parks in such a way as to exclude public participation. In committee we shall be asking the minister to tell us why this process should not include a requirement to hold public hearings. We do not propose, either as members of the parliament of Canada or as representatives from Alberta and British Columbia, to allow these boundaries to be changed in secrecy without reference to the legislatures concerned. The parliamentary secretary did refer in his remarks to the consent of the legislatures. In the bill, as I read it, there is no reference to consent on the part of the legislatures. The process is carried out entirely by the lieutenant governors in council and the governor in council.

As I say, we do not wish to take a long time debating this issue, but since the parliamentary secretary made it impossible to proceed with the agreement to allow the measure to go through without discussion, and thus made it necessary for the House to delay its proceedings, I can say there will be other contributions from hon. members on this side. We wish to make the point that there are aspects of the measure which cause us concern and which we shall want to consider at some length in committee.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I should like to associate myself with the comments made by the hon. member for Okanagan-Kootenay (Mr. Johnston) and the hon. member for Rocky Mountain (Mr. Clark) and add some simple thoughts of my own. I am concerned about the effect of clause 4 which deals with the resurveying of that portion called the sinuous boundary. I notice that the last time adequate maps were prepared was in 1950 or 1953. There is no question that a new survey of this boundary is overdue.

The hon. member for Rocky Mountain has covered the ground very well and referred to a number of specific matters. I should like to draw attention to the arrangements for game management and regulation, as well as the management and regulation of fishing streams. I should like to see a member on the government side catch a trout in Alberta and get nailed in British Columbia for violation of the Fish and Game Act.

The bill we are considering might appear to be a very simple bill and one unlikely to create difficulties. Nevertheless, a number of questions arise. In the southern half of British Columbia there are extensive mining operations. Extensive exploration for oil is being conducted and there is also extensive coverage of the area by those doughty souls who are so rarely recognized. I refer to the prospectors. These people need definite guidelines on which to base their references—as, of course, do the mining and oil companies. The suggestion is that no input from the public is required in connection with this measure. What if the community of Fernie should wish to join the province of Alberta, as was suggested at one time?

Some hon. Members: Hear, hear!

● (1240)

Mr. Brisco: In any event, I do not wish to detract from what has been said about this bill, but there are problems that must be considered. I also take exception to the "from time to time" review of this sinuous boundary. I am wondering how long this "from time to time" review well be. Will it be for one year, or 20 years? I think a very definite commitment should be established, both with the federal government and with the provinces, to review these boundaries and markers on a regular basis. There is no point in five or ten years hence going through the same argument we are having today. I suggest we establish a firm and definite timetable so this review can be made on a regular, ongoing basis.

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I realize this is a bill which perhaps under more ordinary circumstances would not seem to be controversial, but I suspect the parliamentary secretary knows that the question of boundary change has been a very hot and lively topic through a good part of the constituency that I represent. It arose in a rather odd way in the southeast corner of my constituency, the area which has in it the city of Fernie. That area had very much hoped to benefit from increased travel and tourism that would follow upon the world's fair at Spokane, but to the amazement and disappointment of the people of the area, when the provincial government published its tourist brochure for distribution at the world's fair at Spokane, the city of Fernie and the related communities of Sparweed and Elko were left off the map.

Local reaction at the time was that if these communities were not to be recognized by their own province of British Columbia, then perhaps they should petition the province of Alberta to accept them as part of that province. Considering the provocation, I thought the reaction was a natural one. It was, of course, picked up by a variety of other communities and became a local cause for some weeks. Just last week when I returned to my constituency I noticed that a community on the boundary between British Columbia and Alaska was petitioning that state. Dissatisfied with conditions in the area, the residents were requesting they be transferred from the provincial and federal jurisdiction of this country to the jurisdiction of the United States.

The feeling that boundaries are flexible is a common one. Although the parliamentary secretary may consider it too widely held, that is not quite the point. The point is that the feeling is there and as disputes arise from time to time I think people feel they can find the answer to their particular dispute in a boundary revision. It is primarily for this reason that I wish to intervene, because I do not want to let the bill go through, following the intervention of the minister, without telling him that this has been an issue in the constituency I represent. There are clauses in the bill which suggest that quite profound changes might be possible. There are no limitations to the "whereases"; for example, the following:

And whereas the legislatures of the provinces of Alberta and British Columbia having consented thereto, it is desirable that provision be made to declare the boundary line to be established from time to time

by the said commission to be the boundary between those provinces, at such time as the boundary line has been approved—

As I see it, the bill does not have any particular limitation of scope but the point I want to make, which I mentioned earlier, is that I suspect in some ways if we move the bill through without debate, without any statement from members on this side, we might be creating a false hope in communities that are having problems. The area with which I am concerned is, I realize, remote, much of it glaciated. There will be natural changes in boundaries, and surveys must be done. I agree with the hon. member for Rocky Mountain (Mr. Clark) that there should be provision for disclosure of intention as changes are made, and also for public input so that people are fully aware of what is going on each time a change is proposed and a dispute arises. This becomes absolutely crucial because of natural parks along boundaries. The federal government is very much involved in control over provincial lands because of our system of national parks.

Mr. Speaker, those are the points that I wished to bring to the attention of the House at this time.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I, too, follow my colleagues reluctantly since we did have an understanding, not just among ourselves on this side of the House but also with members responsible for the bill on the other side, that this bill should be sent to committee. We regret that the time of the House is being taken up with the matter at this time. We feel that the work of the committee will be very important. As some of my colleagues have already said, this is not a matter that we can allow to proceed without debate. Neither is it a matter to be taken lightly by my colleagues in the House of Commons or by those who will be affected by any eventual change in boundary.

My first concern is about the Department of Energy, Mines and Resources being responsible for this bill in the first place. This indicates to me that if any boundary changes are to come about, they will be made with emphasis being placed on the resources that will be affected by such change. The constituency that I represent runs for 1,000 miles along the boundary between the province of British Columbia and the province of Alberta. In this area there are some very significant resources. As you know, Mr. Speaker, the northeastern portion of British Columbia has some large coal deposits which extend into the province of Alberta, and any boundary change in that area will certainly affect those resources. My colleagues have already mentioned the national parks. Canada's highest mountain, Mount Robson, is in my constituency and lies just outside Jasper national park. The people of Alberta often identify this great landmark with their own province, yet it is situated in the province of British Columbia.

However, I am more concerned with the people who will be affected than with the resources. I represent an area of British Columbia which has made a very strong case for secession from British Columbia to the province of Alberta, not because it is a geographic area that is totally isolated from its own province's economic area but it even has two time zones. When I call my constituency, the operator will invariably say, "Mr. Oberle, do you realize it is only seven o'clock in your constituency?" and I have to tell her no, it is eight o'clock. But she will insist. She will say, "The number you are calling, area code 604, is British Columbia and there is a three-hour time difference". Every time I tell the operator that that is not so.

[Mr. Johnston.]

There is an area in British Columbia on Mountain standard time, which is Alberta time, and that is the Peace River area. The people in the Peace River country often have been alienated by their province economically, socially and in every other way. The economy of the Peace River country in British Columbia is based upon the economy of the Peace River country in Alberta. The supplies for the Peace River country come from Edmonton rather than from Vancouver. As I have said, their social and political affiliations lie with the province of Alberta as well. In northern British Columbia we do not feel it is a virtue to spread misery equally among everybody, which of course is the philosophy subscribed to by the present provincial government of British Columbia. That, of course, is one of the main reasons that part of the country has often made a case for secession from the province of British Columbia.

● (1250)

Under the Department of Regional Economic Expansion there is an act, the name of which escapes me momentarily, in respect of rural farm improvement. With regard to that act, the provinces of Manitoba, Alberta and Saskatchewan have certain privileges and rights. But the Peace River country, which has the same economic base, social problems and geographical location, does not have access to the services provided by the federal government simply because it is inside the province of British Columbia, which has never cared very much about the Peace River country.

There was always a great northern development philosophy in the province of British Columbia under a previous administration, and particularly under this administration which has really done nothing: there was a philosophy of government that all that was necessary was to build railways and highways into an area and people would look after themselves, they would move into the area, build their own social infrastructure and make life livable. That is not so in our modern day.

The government has direct responsibility in this very important area of communications. The federal department has never lived up to its responsibility. The quality of life in northeastern British Columbia simply is not the same as, and cannot be compared with, the quality of life in northwestern Alberta. I am making these comments in the form of a public statement in the hope that the government will recognize the very special need of the people in the northern part of my constituency.

We build railways and roads into this area, but only in order to plunder the resources. The giant Peace River dam never had an impact study. This was never considered by the federal government and the province of British Columbia. As a result, we have been burdened with a very grave situation. I think it would be in the interest of everybody in Canada today, particularly the federal government, to conduct a post-mortem on the Peace River dam in order to evaluate the damage done in respect of human resources, land, wildlife and the environment in general.

The province of British Columbia has plundered its northern regions. I am concerned whether the commission which would be set up under this bill would sit in a dark room, because there is no provision for public meetings or public consultation. There is no provision for the commission to meet with regional groups, planning commissions and northern development people who are concerned with the human resource. These groups have been established in the area for the purpose of helping themselves in the absence of any assistance from the provincial government. There is no real provision in this bill for the commission to take into account the very serious problems the people in that part of the country must face on a daily basis.

There is the town of Fernie to which my colleagues referred. There is a very real desire on the part of the people in that region of British Columbia to secede and join those who still subscribe to the political philosophy that has served Canada and the free world for so long, rather than surrender to something we are experiencing in British Columbia today, commonly known as socialism but which is far removed from anything I would call socialism. I am certainly upset about that situation. I want to know whether this commission would have in its mandate authority to consider the political climate as well as the social, geographic and economic climate that exists in areas with which it is to concern itself.

The Acting Speaker (Mr. Penner): The hon. member for Burnaby-Richmond-Delta (Mr. Reynolds).

Mr. Reynolds: Mr. Speaker, perhaps I should call it one o'clock.

The Acting Speaker (Mr. Penner): Order, please. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Gordon Towers (Red Deer): Mr. Speaker, in rising to take part in this debate I want to make it known to the House and to Canada that if the good people in the towns and villages of British Columbia find that they can no longer tolerate their socialist government, they will be very welcome in the province of Alberta. I want to make sure that each and every one recognizes that there is a warm welcome awaiting him. This welcome is extended not only to people in the province of British Columbia but also to Saskatchewan and Manitoba. There is an important point that must not be overlooked when we are discussing the boundary between the provinces of Alberta and British Columbia; that is, the fact that no doubt in the future there will be a very important highway in the Howse Pass area, going from one province to the other. There have been many discussions about this highway, and we trust that they will continue.

It is the responsibility of the federal government to complete this highway in conjunction with the province of British Columbia. The province of Alberta has completed the major portion of the highway for which it is responsible. No doubt the provinces of Manitoba and Saskatchewan are also interested in the construction of this road that will cross the boundary of Alberta, thereby providing an alternate route into central B.C. We trust that this will not be overlooked when the boundary is considered, because the federal government has great responsibility in this area.

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my party does not intend to hold up this bill much longer. In fact, we would like to see it in committee now. We would have liked it to be sent to committee right away. However, since the parliamentary secretary seemed intent on having the bill debated, members from British Columbia and Alberta felt we had a few things to say about it.

I have several concerns in this area and several questions that I would like to put. For example, there is no reference in this bill to public hearings. That is a matter which very much concerns our province because we have in British Columbia a boundary on the south side at a place called Point Roberts. At present the matter is before a public hearing and is proceeding in the proper manner. It concerns me that some time in the future this government might bring in a bill to give Point Roberts away to the Americans without allowing the people in the area any say in the matter.

There is a paragraph in the preamble of this bill which reads as follows:

> And whereas the legislatures of the provinces of Alberta and British Columbia having consented thereto, it is desirable that provision be made to declare the boundary line to be established from time to time by the said commission to be the boundary between those provinces—

The term "from time to time" scares me. As hon. members may know, this is a hunting area. One week you may shoot a moose, and the next week you may go back to get it but find that the boundary commission says it is now in another province. Such examples show the loopholes which exist in this bill. It has been put together very loosely, and I ask the government to be prepared, when the bill goes to committee, to answer some very serious questions because members of this party will certainly want to ask them. Now we will agree to let the bill go to committee and hope it will be considered very soon.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on National Resources and Public Works.

Canadian Business Corporations Act

● (1410)

CANADA BUSINESS CORPORATIONS ACT

MEASURE TO PROVIDE FOR APPOINTMENT OF DIRECTOR, DEPUTY DIRECTOR AND FOR ADMINISTRATION OF MEASURE

Hon. Otto E. Lang (for the Minister of Consumer and Corporate Affairs) moved that Bill C-29, respecting Canadian business corporations, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I am pleased to introduce today, for second reading, Bill C-29, a bill which proposes a totally new law to govern federal business corporations. Because the present Canada Corporations Act applies to both business corporations and non-profit corporations, whereas this bill applies only to business corporations, it follows necessarily that a new non-profit corporations bill must be presented at a later date. In June of this year our department published a comprehensive report on non-profit corporations and is currently preparing a non-profit corporation bill generally in accordance with that report.

The federal corporations law is essentially only a technical law, but it can be fairly argued that it is of strategic importance to the Canadian economy. Although it applies to only 23,000 of the approximately 270,000 corporations carrying on business in Canada, it is estimated that those 23,000 corporations carry on at least 40 per cent of the dollar volume of Canadian enterprise. The bill, therefore, has immediate significance for business managers and professionals. The bill also has great significance for the 1.5 million Canadians who are shareholders and who must have confidence in the corporation law system in general, and corporate management in particular, before they can be induced to invest their savings in corporate securities. In the long run, the bill has even greater significance for Canada as a whole, for if it achieves its objectives of furnishing a vehicle to attract and use effectively Canadian savings, it will tend to furnish capital required for Canadian development and better enable Canadians to participate in and control the direction and pace of that development.

The present Canada Corporations Act, although substantially amended in 1964 is still largely the 1934 companies act which was a synthesis of the early federal company law and the landmark English companies act of 1929. Since that time, the English companies act has undergone one over-all revision and several substantial amendments. The English companies act is currently being reconsidered in light of the Jenkins committee report of 1962 and a number of subsequent policy papers.

Moreover, since 1960 major reports have been made on and sweeping amendment made to the business corporations laws of France, Germany, a number of commercial states in the United States, Ontario and British Columbia. The government therefore decided, late in 1966, to set up a task force to prepare a report on the federal corporation laws. The terms of reference of the task force were very broad and empowered it to review the current corporation reports and laws of other jurisdictions, to consider the functions of corporations and their role in Canadian society and to prepare a comprehensive report.

[The Acting Speaker (Mr. Penner).]

First priority, however, was to be given to several specific topics that had recently been introduced into Ontario law—insider trading practice, proxies, financial disclosure, take-over bids and investigations—which could be added as interim amendments to the present act. These amendments were made, accordingly, in 1970. Even with these amendments, however, the present act remained generally archaic with respect to a number of substantive topics and its administration provisions. As the task force explained at that time, the 1970 amendments were only an attempt to fill in obvious gaps in the existing law.

Following the task force studies, therefore, a working group made up of task force members was instructed to submit to the government a report entitled "Proposals for a new business corporation law for Canada". This report was published and widely distributed by our department in June, 1971. Following publication of the proposals, the department received a large number of letters and briefs, which have been most useful, pointing out the deficiencies and the inconsistencies in the proposals and recommending a number of changes. The original Canada business corporations bill, Bill C-213, was drafted in accordance with the general recommendations of the proposals but substantially amended to reflect the many constructive comments received. That bill was tabled in the House on July 18, 1973. It died on the order paper at the end of the first session of the twenty-ninth parliament.

Since then, in light of the comments received, one substantive amendment and a substantial number of technical amendments were made to the original bill and set out in the current bill, Bill C-29, which was tabled on October 21, 1974. To enable interested parties better to analyse the interim changes made, the minister has carried out an undertaking given by his predecessor, the hon. member for Windsor West (Mr. Gray), to publish a concordance of the two bills that points out and explains concisely the reasons for these changes. The one significant substantive change is the deletion of the provision barring Canadian employees of a corporation from being counted as "Canadian resident directors" of that corporation. I shall elaborate on this topic later.

When preparing the proposals that led up to the bill, the task force established as its central objective the preparation of a business corporation law that would be clear, comprehensive and practical. And they concluded that the best means to achieve this goal would be to construct a draft law that is the best synthesis of the substantive and administrative concepts set out in contemporary corporations laws, having regard to other jurisdictions in Canada, the United Kingdom, the larger states of the United States and Europe, and constantly keeping in mind the particular need in Canada for a coherent corporation law at the federal level. The task force defined a coherent corporation law as one that achieves a practical balance of interests among shareholders, creditors, management and the public, a balance that ensures both adequate investor protection and maximum management flexibility within the over-all context of the public interest. As far as possible, the bill expresses this objective.

The bill also reflects several secondary objectives. It seeks to eliminate many of the pointless formalities that are a signal feature of the present Canada Corporations Act. Wherever possible, it substitutes clear rules and standards for administrative discretion. And, as a corollary, it provides effective remedies that render the law largely self-enforcing and obviate much of the need for administrative paternalism. To the greatest degree possible, it permits administration by exception, characterizing the administrator more as a fireman who is always ready to act to deal with an emergency, rather than as a policeman who maintains continuous surveillance. It proposes setting out in regulations the detailed contents of the many statutory forms and also the contents of financial statements. Finally, as an effective constraint on the exercise of these regulatory powers, it establishes a procedure to require the pre-publication of proposed regulations for public comment at least 60 days before their effective date.

In general, the bill is an attempt to present an exemplary act to serve as a model to be followed both by administrators of other federal corporation laws and by provincial legislatures. In no case does it sacrifice principle in order to attract more federal incorporations. In summary, then, the bill substitutes for the present Canada Corporations Act an entirely new law that applies only to business corporations, setting out the new concepts in a logical framework but avoiding change for the sake of change, particularly in respect of issues such as proxies, insider-trading, financial disclosure, and take-over bids where uniformity with provincial acts is highly desirable.

● (1420)

Since a number of the parts of the bill are very technical, I shall not discuss them here, knowing that they must be considered in detail by the standing committee of the House. These parts deal with securities registration and transfers, trust indentures, receivers, liquidation, dissolution, and investigations. In addition, since some of the topics that were introduced into the Canada Corporations Act in 1970 concerning insider-trading, proxies and take-over bids are largely continued in substance in the present bill, I shall therefore ignore them today. Instead, I shall underline those parts of the bill that best illustrate the objectives sought and the techniques employed in the bill to achieve those objectives.

Part I of the bill mainly concerns the application of the proposed law. The proposals had recommended that all federal corporations should be brought under the aegis of one comprehensive business corporation law. This was not practical, Mr. Speaker. However, with respect to the acts regulating financial intermediaries, first because it is so difficult to separate regulatory and corporate law provisions in those acts and, second, because it is very desirable to have both the regulatory and the corporate provisions set out in one internally consistent act, the bill applies potentially to all federal business corporations other than the financial intermediaries.

The bill only applies automatically to new corporations that are incorporated under it. With respect to all other corporations, the bill introduces a continuance concept requiring a corporation that seeks to be governed by the new law to take positive steps to become continued under that law. If it is an ordinary business corporation subject to part I of the present Canada Corporations Act, it must become continued under the proposed law within five years. If it does not become continued, it is deemed dissolved at the end of that period. There is no corresponding mandatory continuance for special act corporations, but they may be required to continue under the new law by order in council.

As stated, the objective of part I is to create one comprehensive federal business corporation law; That is, to substitute a uniform, understandable legal regime for what is now almost an arcane art.

Essential to a uniform legal regime are the formalities and procedures that govern the operation of the law. Part II, on incorporation, introduces three of the recurrent minor themes of the proposals that are reflected throughout the bill. The first is that incorporation should be a matter of right, rather than a privilege. The second is that wherever possible, administration should be in accordance with express rules of standards and not based on administrative discretion. And the third is that empty formalities, such as incorporating through legal secretaries or students, should be eliminated.

Thus, part II of the bill modifies radically the present incorporating system. Incorporation is clearly as of right. Corporate names are granted pursuant to broad statutory standards that are to be further clarified by regulations intended better to reconcile corporate name policy with trademark and trade-name policies. Decisions of the director of the corporations branch relating to corporate names will be appealable to the courts. The formalities are simple, straightforward, clear and consistent in this part and throughout the bill. To win support for more efficient procedures is a simple task.

Far more difficult—although there is broad agreement that it must go—is elimination of the ultra vires doctrine. For at least two generations, efforts have been made in Canada to seek a uniform corporation law, but most of these efforts have floundered because of the inability of lawyers in different jurisdictions to reconcile the conceptual differences between the letters patent systems and the registration systems that were based on the United Kingdom companies act. Finally, however, these conceptual difficulties have been largely overcome. Like the Ontario Business Corporations Act of 1970, the bill in effect abandons the letters patent or discretionary system and adopts a registration system, which implies incorporation as of right, as I said previously. But the bill does not adhere blindly to the traditional registration statutes. Indeed, one of the themes of the bill is to introduce a simpler registration system free of the unnecessary technicalities with which it has become encrusted over time.

One of the major problems with the registration systems has been to determine clearly the capacity of the corporation. Unfortunately, the common law during the nineteenth century withdrew from the earlier common law proposition that a corporation had all the capacity of a natural person, and equated a corporation with an agent having a mandate to do only those things expressed in its objects clause and only the powers to realize those objects that have been accorded to it by statute or by its internal constitution. As a result, corporation laws and constating instruments have become characterized by excessive ver-

biage relating to objects and powers in an effort to avoid application of this ultra vires doctrine.

Because objects and powers clauses have become meaningless to protect investors, they tend only to be a trap for the unwary creditor or shareholder, invoked in most cases to permit a corporation to escape an obligation. The bill, therefore, attempts to resolve this root problem instead of attacking symptoms such as limiting broad objects and powers clauses or minimizing prejudice to third parties. To preclude any inference, therefore, that the ultra vires doctrine might apply because the bill is cast as a registration statute, the bill states clearly that a corporation has the capacity and also the rights, powers and privileges of a natural person.

In short, the bill reverts to original common law doctrine and so becomes consistent with the European concept of the corporation. That does not mean, however, that the shareholders of a corporation cannot constrain management by establishing express goals in the corporate constitution. Such restrictions are expressly permitted. But part III makes abundantly clear that even an express restriction cannot prejudice the rights of a third party contracting in good faith. The third party is entitled to presume that the corporation has the capacity to enter into any contract and that its directors and officers have authority to act on behalf of the corporation. Part III, by giving a corporation the capacity of a natural person, rids the corporation law of what has clearly become excess conceptual baggage.

Part V of the bill, concerning corporate finance, deals with more difficult problems. Probably no provisions in the present act are as unclear and unsatisfactory as the sections relating to capital structure, shares, redemption of shares and dividends. Reflecting that the present law developed from several sources and on a piecemeal basis, the financial provisions are scattered throughout the act, rendering difficult the resolution of even simple problems. Some of the provisions relating to registered shares, bearer shares and series of shares are conceptually incomplete and thus engender much confusion. In addition, a number of concepts like partly paid shares and par value shares have simply become archaic, bearing little relation to contemporary market requirement and practices.

● (1430)

Finally, there are several provisions that are altogether absent from the present law, such as rules relating to options and rights, acquisition by a corporation of its own shares, rules relating to accounting practices and uniform insolvency criteria. Part V attempts to clear up this conceptual confusion, to abrogate a number of concepts that no longer serve a useful purpose and to legitimate those institutions that serve a practical purpose and do not prejudice creditor and shareholder interests.

To this end, the bill bars the issue of shares subject to assessment, or the issue of par value shares, prohibits bearer shares, avoids reference to concepts such as paid in surplus or capital surplus, and expressly permits acquisition by a corporation of its own shares subject to strict solvency standards. Similar strict solvency standards apply to determine whether a corporation can pay dividends, make loans or guarantees to its employees, or reduce its capital. In brief, these provisions tend to permit a great deal of management flexibility within the limits prescribed by the general solvency rules, forcing management to rely on what is good business practice rather than on technical idiosyncrasies that have become part of the traditional corporation law.

Consistent with this philosophy, the bill continues to vest in the directors very broad power to manage the business and affairs of a corporation. Indeed, it is this institutionalization of responsibility in the board of directors for the management of the business and affairs of the corporation that is the hallmark of a contemporary corporation law. But that is not to say that the directors are given a blank cheque, for the bill substantially increases the residual powers of the shareholders to control indirectly the management of the corporation. For example, shareholders have the power to initiate bylaws, to submit general proposals to shareholders' meetings, to remove directors by ordinary resolution, to vote on fundamental changes and even to require the corporation to purchase their shares where they disagree with a proposed fundamental change. It is this internal balancing of interests that raises the most difficult conceptual problems, and it is with respect to this central issue that the bill has been recognized as both imaginative and practical by the business community.

One aspect of this problem, that is, the declaration of a standard of trustee responsibility of duty and duty of care to regulate the conduct of directors and officers, has elicited a great deal of controversy. In general, however, these provisions are only declaratory of what is the common law or is generally acknowledged to be good business practice. For that reason, it is becoming a conventional provision in contemporary corporation laws. To mollify the seemingly high standard of care imposed on corporate management, the bill contains indemnification provisions that are broad in scope and that apply wherever a director or officer has acted in good faith in the interests of the corporation and not in his own interests.

Part IX also introduces the requirement that a majority of the directors of a corporation be resident Canadians. Some of the major initiatives of the government in this area in recent years have been introduction of the foreign investment review bill and the revision of the acts regulating financial intermediaries and some resource corporations in order to restrict foreign ownership and control. It was decided that the corporation law could usefully reinforce these policies by ensuring that the Canadian viewpoint will be expressed in all meetings of directors and committees of directors.

The predecessor bill, Bill C-213, contained two provisions designed to achieve this goal. The first provision, which is already law in Ontario, required each federal corporation to have a majority of Canadian resident directors. The second provision, which is altogether new in Canada, applied only to foreign-controlled corporations, requiring them to have a majority of "outside" Canadian directors, that is, directors who are not employees of the corporation.

The first provision requiring generally a majority of Canadian directors has been widely accepted as expressing a legitimate Canadian concern and as serving a useful

purpose. We have, however, received an extraordinary number of heated, even passionate criticisms of the second provision, particularly from Canadian officer-directors who argue that the effects of the rule would be to compel directors to promote Canadian interests above corporate interests in contravention of their legal duty to the corporation, to place greater emphasis on citizenship than demonstrated competence, and to regulate Canadian officers of foreign-controlled corporations to the status of second-class citizens. These were persuasive arguments.

Even more persuasive, however, were the arguments of the more detached professionals, lawyers and accountants, who pointed out the two gross defects of the provision. First, because foreign investors will invoke every possible stratagem to retain control over their capital, they would tend to recruit "straw-men" who would be amenable to their control. Second, it would be relatively easy to set up a formal board of directors and then proceed to control the corporation through a management committee or advisory board, In short, the provision would not be effective. We found these arguments convincing. We therefore recommended that the second provision concerning foreign-controlled corporations be dropped and the government modified the bill accordingly.

As I stated earlier, the bill confers extensive power on the directors to manage the business and affairs of the corporation, but counterbalances that power by conferring on shareholders a number of residual powers to influence or even discourage fundamental changes, to participate more actively and more knowledgeably in the internal affairs of the corporation, and even to remove directors. Most of these provisions which are set out in part XI are not new law. In fact, the bill continues most of the substance of the present act, reorganizing the rules for greater simplicity, redrafting a number of provisions for greater clarity and adding some minor substantive rules relating to the conduct of shareholder meetings and court review of elections of directors.

The only completely new substantive provisions in part XI relate to unanimous shareholder agreements. These provisions, in effect, permit the shareholder of a closely held corporation to assume the duties and liabilities of directors, thus creating what is conceptually a partnership with limited liability. Again, although the provision is new in the statute it only reflects, rather than changes, present practice. It is included in the bill for two specific purposes. First, it legitimates direct control by the shareholders and so obviates many unnecessary formalities in close corporations. Second, it virtually compels an incorporating lawyer to consider more carefully the relationships among his clients when setting up a close corporation.

But this unanimous shareholder agreement provision is the exceptional case. The general policy of part XI is to vest residual power in the shareholders of the usual corporation to enable them to participate directly in the internal affairs and to control indirectly the management of the business of the corporation. This policy is firmly buttressed by the disclosure provisions set out in the proxy rules in part XII and the financial disclosure provisions of part XIII.

Part XIII of the bill largely continues the substantive disclosure rules of the present Canada Corporations Act but introduces two new concepts, one a matter of form and the other very much a matter of substance. The first major innovation of the bill is to provide that the very lengthy provisions relating to the contents of financial statements be set out in regulations instead of in the statute. Three arguments support this recommendation. First, the changes in future, as in the past, will be made only after discussion with interested parties. Second, it is impossible to amend a corporations act frequently enough to reflect changes in accounting principles and practices. Finally, the regulations will in any case be subject to pre-publication under the bill and will also be subject to scrutiny under the Statutory Instruments Act.

● (1440)

The second innovation of part XIII is to strengthen the role of the auditor as an appointee of the shareholders, following generally the policy of the Ontario Business Corporations Act. One of the best illustrations of this policy, at least in respect of corporations which distribute their shares to the public, is the requirement of an audit committee which can ensure that the auditor is responsive to the directors as the representatives of the shareholders, and not answerable only to the officers of the corporation.

I turn, now, to the fundamental changes. Reinforcing the residual control of shareholders, part XIV introduces a new legal regime concerning fundamental changes of the constitution or of the business carried on by the corporation. As I said earlier, because the present act was assembled brick by brick with little concern for over all symmetry or even internal consistency, it has become extraordinarily difficult to interpret or to comply with the new law. Nowhere is this more clearly illustrated than with respect to fundamental changes sought to be made under the present discretionary system.

Because of the amount of discretion exercised and the complicated interrelations among the present statute rules, working with the present act has become an arcane art which requires an insider's knowledge of the statute provisions, departmental policies and rules of practice. To resolve this problem, part XIV of the bill recommends two solutions. First, it makes uniform all the formalities relating to basic modifications of the corporation's constitution or business—amendment of articles, amalgamation, continuance under the bill or any other law, and sale or lease of assets of the corporation outside the ordinary course of business.

Under the bill, these modifications may be made as of right, free of any intervention by public administrators. Second, part XIV confers a right to dissent or, as it is more commonly known, an appraisal right on a shareholder who dissents from a proposed fundamental change and demands from the corporation payment of the objectively appraised value of his shares. The purpose of this policy is twofold. It permits management and majority shareholders to effect changes in the business or affairs of the corporation with a maximum of flexibility. At the same time it permits a dissenting shareholder to withdraw his investment from an enterprise which is substantially different from the enterprise in which he originally invested. In short, the rule makes it very difficult for a minority to

veto a majority decision, or for the majority simply to impose its will on the minority shareholders. As I stated earlier, the goal is to achieve a reasonable but dynamic balance of power between directors on the one hand and shareholders on the other, and at the same time to ensure practical management flexibility And that is precisely what the appraisal right achieves.

Complementing the appraisal right are the shareholder remedies set out in part XIX. To ensure that shareholders can effectively exercise the powers conferred on them by this bill, part XIX attempts to strip away the self-imposed judicial constraints of the common law and to compel courts to judge on their merits the complaints of minority shareholders against majority shareholders or management. Part XIX seeks to achieve this goal in two ways. First, like the Ontario Business Corporations Act of 1970, it legitimates the derivative action in the name of the corporation to remedy a wrong to the corporation. Such a derivative action may be initiated by a shareholder in his own right or as a representative of a class of shareholders.

Second, going beyond present Ontario law, the bill adopts an amended version of section 210 of the United Kingdom companies act of 1948, the so-called oppression remedy. This remedy permits an aggrieved person—particularly a disgruntled minority shareholder—to apply to the court to right an alleged wrong, applying a very broad, just and equitable standard. In effect, the oppression remedy complements the shareholder's appraisal remedy under part XIV, ensuring that a shareholder will have a last resort remedy in a squeeze-out case where he has no grounds to invoke the appraisal right. Summarized briefly, the policy of part XIX is to furnish effective remedies to enforce expressed rights, obviating the need for excessive formality, complicated structure and excessive administrative paternalism.

In conclusion, Mr. Speaker, I would like to reiterate very briefly the salient characteristics of the bill. For what is an archaic statute it substitutes a modern corporation law that is tough and yet flexible and practical. For paternalism it substitutes clear rights that may be enforced by effective remedies. And finally, for a Victorian paperwork routine it substitutes clear, efficient administrative procedures.

Writing about the famous New York business corporation law of 1963, an American scholar deplored the fact that corporation law is not a topic that stirs men's souls. Although this is undoubtedly true in part, and although the original proposals and the bill emphasize the goal of a corporation law as being essential only to maintain a fair and workable balance of power within the corporate enterprise, given the pervasiveness and the great economic power of business corporations in our contemporary society, the bill cannot be dealt with casually as a technical law that interests only businessmen and professionals. For even if modest in its goals, the bill is of importance to Canada as a whole, providing a model law which will further encourage Canadian investors to put their savings into Canadian enterprises. If the bill succeeds in achieving that goal, the result will be greater participation by Canadians in the growth of the Canadian economy and also the exercise by Canadians of greater control over Canadian resources and means of production. The bill is comprehensive, clear, equitable, imaginative and, above all, practical. I therefore urge members of all parties to support it.

[Mr. Cafik.]

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I am naturally a little hesitant to speak on this bill after the impassioned address just delivered by the parliamentary secretary. Some might even suggest he was a little emotional in his approach to the subject. However, I do have some comments which I hope will be taken into account by the government.

First, I might say that we in the Progressive Conservative Party believe the bill should go to the committee. It is a detailed measure containing 266 clauses and we think that the proper place with which to deal with it is in committee. As I have indicated, we are generally in support of the main principles of the bill. This is particularly easy for those of us who come from Ontario and who are Conservative to say, because the measure we are considering is modelled largely on the Ontario Business Corporations Act of 1970.

In the course of his remarks, the hon. member expressed the hope that this would be a model bill and a basis for similar legislation in other jurisdictions. I think he has his priorities a little reversed. In fact, he is substantially following the Ontario Business Corporations Act of 1970. If there is a model, that, perhaps, is the model that is being used by this parliament and other legislatures in Canada. To support my point, even in the detailed background papers for the Canada business corporations bill we find that in justifying the legislation the government refers to Ontario no less than 25 times in explaining why the government drafted the legislation in the form in which we have it today.

● (1450)

Before I move on to deal with the bill specifically, I suggest that when the bill goes to committee ample time be given to business to respond to it. It may be wise to send a copy of the bill to each of the 23,000 corporations that carry on business under federal jurisdiction. It may also be wise to advertise in local newspapers and let legal counsel know that we have reached committee stage of the bill. In committee, I believe we should consider in some detail why we feel we need Dominion company legislation to start with. As the hon. member has indicated, there are only 23,000 corporations, out of a total of around 270,000, which are incorporated under federal jurisdiction, which is roughly 8 per cent. If I may put it another way, more corporations have been incorporated in the province of Ontario in the last two years than exist today under federal jurisdiction. So, surely, we must ask ourselves whether this kind of corporation serves any meaningful role in Canada, or is it something that to all intents and purposes should be left to provincial jurisdiction?

The revenue and expenditure of the department with respect to corporations roughly balances out. The department receives roughly $1.5 million in revenue from various corporate sources, and their expenditures are a little less than that. I therefore suggest that in committee it would perhaps be wise if the minister or his parliamentary secretary explained in a little more detail why the government believes this legislation is warranted and should remain

on the books. I say that because I think it is very easy to create new legislation or to continue existing legislation to perpetuate bureaucracy. Any time we see an opportunity to lessen government involvement and bureaucracy, I think we should jump at the chance and do a little pruning.

I also believe the minister or his parliamentary secretary should explain more fully why certain corporations in Canada have been exempted from the provisions of the act. For example, the parliamentary secretary indicated that financial concerns will be exempted. That may or may not be wise. I am curious to know at what stage the government intends to make some of the rules that they feel should apply to private corporations also apply to Crown corporations. I find it increasingly difficult to understand why we always seem to pass legislation that requires the private sector, especially the private corporate sector, to make full disclosure and file more and more forms, yet when we ask for what appears to be basic information concerning some Crown corporations' operations we are told it is none of our business.

We had an example of this last night, Mr. Speaker, in the Standing Committee on Finance, Trade and Economic Affairs. The chief general manager of the Industrial Development Bank was asked whether he would give us the salary range of the five senior employees of the bank. We were told that that information was confidential and not available to us. There have been other instances when we were similarly told by the bank officials that the information we sought was either not available or would not be conveyed to us. As I say, if private corporations, through this kind of legislation, are continually being required to make disclosures, it is ludicrous for the parliament of Canada to allow a situation to exist where corporations under federal jurisdiction are not required to disclose information for which we ask.

In many ways this government, through this type of legislation and through other legislation that it is proposing to bring into the House, seems to show great inconsistency of approach. Bill C-2 deals with amendments to the present combines legislation in this country. The government likes to call it competition legislation, which is a misnomer. In any event, if hon. members read Bill C-2 and then read the bill before us today, Bill C-29, they will find diametrically different concepts as to the way the law should be approached.

For example, in the competition bill, Bill C-2, the government is proposing to give highly discretionary powers to the Restrictive Trade Practices Commission. It is proposing to lay out certain procedures against which there is no right of appeal. In short, I suggest the government is proposing to put much of Canadian business through an unnecessary amount of red tape. Yet in the bill before us now, the government is taking great credit—and I am pleased that it is—for trying to streamline the legislation and to iron out some of the Victorian provisions, as I believe the hon. member calls them, in the existing Dominion companies legislation. Again, I hope the minister or his deputy will explain what appears to be an inconsistency of approach to the business sector of Canada.

On the same point, I am also disturbed by the continual evidence we have of how out of touch is the government with reality. This bill is really a catch-up bill; it is doing in 1974 what perhaps could have been done five years ago. The hon. member stated that a committee was working on this problem in 1966. It is interesting to note that in Ontario a committee was sitting on it in 1965, and that committee was able to produce legislation by 1970. Yet here we are, in 1974, dealing with a bill which is largely modelled on the Ontario bill.

I do not sense that the Minister of Consumer and Corporate Affairs (Mr. Ouellet), the Minister of Industry, Trade and Commerce (Mr. Gillespie), the Minister of Finance (Mr. Turner), the Prime Minister (Mr. Trudeau), or any responsible cabinet minister in this government really understand the position Canadian business is in at the present time. Why should we accept as an inevitable fact that there is only one Canadian company at the present time among the 200 largest corporations in the world? Canada, the sixth strongest nation of the world, should encourage and create a business climate that ensures greater participation in the international and multinational corporate world. But I suggest the government is so narrow and provincial in outlook that it is unable to understand our modern-day industrial business world.

● (1500)

It is the government's lack of understanding that is placing Canada in a secondary position so far as business activity throughout the world is concerned. Expressed in another way, our largest corporation ranks only 155th in terms of world corporations. That largest corporation incidentally is one which most would not assume to be a powerful Canadian company. I refer to Alcan Aluminum.

I touch on this because I believe the government, in its anxiety to try to convince the Canadian people that they are relatively well off, is ignoring the hard fact that, for example, in respect of trade we are going into a spiralling increase of trade deficits so far as manufactured products are concerned. In the year 1972 our total fabricated and end product deficit was $1.5 billion. In 1973 it was $2.2 billion, and in the first six months of this year it was $2 billion.

The only way we in this country have been able to right this imbalance is by selling off our resources and our primary products. The Canadian people must be told how we are financing ourselves in the world market at the present time. It is not through ingenuity or through expansion of the manufacturing and business sector, but simply through a substantial deficit, paying for it through the sale of merchandise such as raw materials, iron ore and so on, into the world market. Surely this is something which must be dealt with by the government in a more satisfactory way.

Touching again on that question I notice in the background papers that the parliamentary secretary today has taken credit for what the government feels is a strong stance on foreign ownership in this country. In this bill it is proposed that a majority of the directors of a corporation be Canadian residents. I do not object to that. I am pleased the earlier provision has been changed. I would

point out, however, that the question of foreign ownership in this country should perhaps be studied in more depth.

A study of the Canadian and the United States economies shows rather startling figures. For example, in the years 1968 to 1973 in Canada the average corporation tax paid was 36.3 per cent. In the United States it was 45.1 per cent. But interestingly enough in the same period 9 per cent of the total corporate profit in Canada was paid to non-residents. In the United States zero per cent was paid to non-residents.

The amount paid to non-residents in that period by Canadian companies was exactly equal to the tax differential between Canada and the United States. The net result was that both countries had retained earnings that were very close—54.7 per cent in Canada as against 54.9 per cent in the United States. But here we find in the case of Canada only 9.7 per cent was paid to our residents, whereas in the United States 27.8 per cent was paid to its residents. The net result was that 45 per cent of the net profits of Canadian companies were held in undistributed form, while in the United States 27.6 per cent was the comparable figure. I suggest the government has not dealt either domestically or on an international basis with the hard fact that a tremendous amount of Canadian earnings simply are being re-invested without distribution to Canadian shareholders.

The net result is that we have an expansion of assets within a corporation without benefit being felt by shareholders. In Europe, as many members of this House know, this matter is being dealt with. Various innovative types of legislative matters are going through European parliaments. Recently one went through the German House. An attempt is being made to try to make sure there is more asset participation by shareholders and the general public with regard to corporate activity. I suggest this House might well consider that. How can we ensure that the people, be they workers or Canadian citizens generally, benefit more from the prosperity of many of our corporations in dealing with the question of dividend pay-out?

I find the most startling figures when we compare what is happening in Canada with what is happening in respect of non-residents. In the years 1956 to 1969 the average dividend paid to Canadian residents by Canadian corporations was 4.87 per cent. From 1969 to 1973—and I remind the House that in those years we had the present administration—the rate of dividends paid to Canadian residents was minus 2.07 per cent. In those years there were less real dividends paid to Canadian residents than in previous years.

Let us look at what happened in respect of non-residents. In the 1956 to 1969 period the average dividend paid was 2.51 per cent, but in the 1969 to 1973 period the figure was 4.61 per cent. What a contrast! I believe we must ask why the dividend pay-out to non-residents should increase in real terms while the dividend pay-out to Canadians decreased. These are the more basic things I feel the government should be dealing with now.

If the government feels now in 1974 that it wants to do a catching up job in an administrative sense, I can accept that, but I believe we should always remind the government that there are things more important than simply bringing in a new Canadian business corporations act. I would hope that at the committee stage we will have ample opportunity to review this bill. I believe in the free enterprise system. I believe that with less confrontation on the part of government business can continue to produce.

Our commercial system has produced the wealthiest civilization man has ever known, and I believe no legislature should continually tamper with that system unless it knows it is going to better it. I suggest there is no alternative system such as socialism, state-ism, or call it what you may, that will produce or allow us to prosper and retain democracy. The two just will not work. This is why I believe it behooves the government not only to pass this type of legislation but to get down to the basic problems that are facing Canadian business at the present time, so that business can get on with doing the job, raise the level of real income in this country, and make us more competitive throughout the world. Canada should not be on the bottom list of the big corporations of the world. We should be number one, and with proper federal government direction this nation can be number one in the world.

● (1510)

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to make the opening remarks on behalf of my party on this bill not because I am an expert in this field—I must be frank—but because the bill is being discussed on a Friday afternoon when some of our members, who have a little more knowledge of the subject than I, have other commitments.

However, as I listened to the parliamentary secretary explain the purposes of the bill and some of the provisions, I could not help but wonder why it took so long to prepare such a large and long bill to deal with what I consider, having listened to him, to be relatively unimportant matters which may be of consequence to shareholders of corporations, and there are some several hundred thousand of those, but which will in fact not give them much more power than they have had until now, and will have very little of any real value for the 99 per cent of the Canadian people who do not now own, nor are they likely ever to own shares in any Canadian corporation.

It is not often that I agree with the views of the hon. member for York-Simcoe (Mr. Stevens), who just spoke on behalf of the Official Opposition, but I do agree with him when he says that this bill cannot be considered in isolation, that it must be considered together with the government's proposed legislation to deal with competition, legislation on foreign ownership, the proposed anti-profiteering legislation, past budgets, and the budget for this year which we will get in some ten days. All the legislation which we have had, and which the government proposes to bring in, such as its tax policy, is the foundation which will affect the lives of ordinary Canadian people.

When I look at what the government has done and what it proposes to do, I realize how little this bill will mean to the Canadian people. Yet we live in a society in which corporations, particularly the large ones, of which there are perhaps 100 in Canada, have fantastic powers because of their assets and because of their control of various facets of Canadian society, control which gives them the

life and death power to create jobs, to destroy jobs, to develop provinces or to pull out of them, to develop or not to develop the Arctic, to develop or not to develop the Atlantic provinces.

If you look at some of these corporations such as General Motors, Imperial Oil, CPR with its subsidiaries, or International Nickel, you see corporations which have assets and which are involved in annual financial transactions which, in some cases, bring them profits bigger than those of any Canadian province. Indeed, in many cases the profits are bigger than those of most countries in the world today.

Mr. Fraser: Provinces are not supposed to be making a profit.

Mr. Orlikow: So the decisions of these corporations are important to each Canadian, whether or not he is a direct shareholder in a corporation. Yet despite that we have here a bill which, at its best, tidies up the legislation which we have had and which was passed originally, as the parliamentary secretary said, in 1934, which was itself based on British company legislation enacted in 1929, almost 50 years ago.

To a large extent this bill is based on a study done for the government by R. W. V. Dickerson, a lawyer in Vancouver. If members look at that study they will see that Mr. Dickerson makes it clear that he does not propose any fundamental change in the rights, powers or responsibilities of corporations. In his report Mr. Dickerson accepts that corporations will continue essentially as the private property of the shareholders, and that the bill can only deal with the rights of the corporation and the rights of its owners and shareholders. There is no reference in the bill, nor was there in Mr. Dickerson's study, to the responsibilities of a corporation to society.

Mr. Dickerson says in his study:

> A Corporations Act will not solve problems of industrial relations, nor can the many vexing problems of taxation be cured through some alchemy in the corporation law. We have also resisted the idea that corporation law as such has anything to do with the question of foreign investment, control of the economy, and Canadian sovereignty.

The government has accepted that view of Mr. Dickerson and I could not argue with it too much if we had, along with laws dealing with corporations, tax laws or competition laws which would really set forth the feelings of the people of Canada through their government, as to the right of a corporation to make profits. And I do not question that right so long as we have a system in our society according to which a large majority of the economy is operated through free enterprise, through corporations, large and small.

I do not see in the foreseeable future any real changes in that system, regardless of what government is in office, either provincially or federally. Free private enterprise in the foreseeable future in Canada will continue to play a major role in the lives of all Canadians. It is surely in the light of what is happening in the world today that the people of this country, and indeed of every country, have a right to expect that corporations will consider their needs, particularly the large corporations.

We are living in difficult times. We see shortages of food. A world food conference is taking place right now. There are shortages of fuel. Every person in the world has been affected and will be markedly affected in the next ten to twenty years at least by the fourfold increase in the price of oil exported by the oil producing countries of the world.

● (1520)

I am not now discussing whether the increase in price was justified entirely or in part. The point is that we have had the increase and the people of the industrialized affluent world, and the people of the have not nations, will feel the effects. Prices are going up, up, up. As they have gone up, so have profits. It may be that price increases were necessary for the basic commodities used by the whole world, or that they can be partly justified. As far as I can see, however, there is no government mechanism in Canada to examine this question. But we do know that the percentage of the gross national product which went to profits in the last year was higher than ever before. Last year, Mr. Speaker, 13.5 per cent of the gross national product went to corporation profits.

I do not believe that all the price increases we have been subjected to in the past two or three years have been justified. Corporation profits are at an all time high. Prices are not based on increases in the cost of labour, although that is a factor, nor on increases in the cost of raw materials, although that is also a factor, but are based almost exclusively on the judgment of the corporations of what the traffic will bear.

There is no real competition for the major commodities used by the large corporations. I do not think anyone would suggest that the price of cars which Canadians buy is set by corporations competing for the goodwill of customers. It is no secret that General Motors sets the price for cars, and the other automobile corporations follow suit. It is no secret that Imperial Oil, which is part of the giant multinational conglomerate Exxon Corporation, sets the price of gas in Canada.

A sharp increase in the price of gas in Nova Scotia a few months ago prompted the provincial Liberal government to set up an inquiry. A representative of Imperial Oil appeared and said that their price was set by world factors, not by the cost of oil laid down in Nova Scotia, Mr. Speaker, but by what the world pattern suggested they could charge.

I think we need to have a lot more say about what corporations are doing in this country, Mr. Speaker, and I do not believe this bill will help in that regard. One just needs to look at the corporation profits, published almost every day in the Montreal and Toronto newspapers, or in the newspapers of any other city in Canada. As an example take Ogilvy Flour Mills. If there is one area in which prices have gone up it is in food. For the three months ending July 31 this year Ogilvy profits were $2,035,000 compared to $1,144,000 for the same period last year. Madam Speaker, that is an increase of almost 100 per cent. It is any wonder the cost of food is increasing?

Steel is used in virtually every basic implement we make. Algoma Steel profits for the period reported in 1974 were $39,910,000 compared to $18,043,000 for the same period in 1973, an increase of more than 100 per cent. Cominco profits went up to over $50 million in 1974 com-

pared to less than $20 million in 1973. That is also substantially more than a 100 per cent increase. These are the kind of profits shown by large corporations form one end of the country to the other.

Will the bill before us do anything about that situation, Madam Speaker? I do not think so. It will not protect the Canadian consumer at all. Will it do anything for Canadian shareholders? In this respect I think it would be interesting to look at an article which appeared in the Montreal *Gazette* on July 31. It was written by a former Liberal cabinet minister, Eric Kierans, and he was replying to a full page advertisement which had been inserted in many Canadian newspapers by the Mining Association of Canada entitled, "Does Anybody Out There Give a Damn if the Mining Industry is Taxed to Death"?

Mr. Kierans' article bore the headline, "Shed no Tears for the Canadian Mining Industry", and showed, among other things, how little concern Canadian corporate management has for the Canadian shareholder. I wish I had time to put the whole article on the record. Mr. Kierans is no flaming radical, no socialist. Before he entered politics he was president of the Montreal Stock Exchange so he knows a good deal about Canadian corporations, and he cares about their shareholders.

● (1530)

Mr. Kierans, by illustrating actual cases, shows that Canadian corporations are not operated for the benefit of Canadians or company shareholders; they are operated to increase the power of management and directors, at the expense of the shareholders. Certainly their activities are not conducted in the interests of the Canadian people.

Mr. Kierans illustrates his point by referring to two large and powerful Canadian corporations, Inco and Noranda. According to Mr. Kierans the profits of International Nickel this year after taxes will be better than $300 million. The company will have on hand, because of accelerated depreciation allowances, depletion allowances, exaggerated exploration and development expenses, and the like, which governments allow, another $200 million in extra cash. Mr. Kierans says that in the good old days, when there was real competition—if ever there was such a time—there would have been a horde of competitors in the field. Profits would have been quickly cut to ribbons. Prices would have fallen and consumers would get a break. But that did not happen in this case because Inco had a virtual monopoly. There was a nickel shortage in the world and Inco did not need to cut prices.

Mr. Kierans said the company could have passed on a substantial part of its $300 million profit to shareholders. But, he said, that is the last thing which would occur to Inco management, because shareholders might spend the money foolishly. They might buy clothing, or use it for the down payment on a house, or try to stay even with inflation. So, Inco did not intend to give this money to shareholders as dividends. Inco shareholders have received about a 5 per cent return on investment, less than they would get if they invested their money in federal or provincial bonds, or put it in the bank on short-term deposits.

What did Inco do? It purchased an American company, whose stock was then valued at $105 million, for approxi-

[Mr. Orlikow.]

mately $230 million. Mr. Kierans calculates that on this $230 million Inco can expect dividends ranging from $4 million to $7 million, representing a return on capital of between 2 per cent and 3 per cent. Clearly that purchase did not increase productivity. The Minister of Finance (Mr. Turner) keeps saying that to beat inflation we must increase productivity. That Inco purchase did not increase productivity in Canada or the United States. It merely increased the power of management and directors, and was not of benefit to the people of Canada or company shareholders.

Mr. Kierans also referred to Noranda. That company, far from being taxed to death as the Mining Association claims, this year has run up profits which are 60 per cent better than they were in 1973, when they were at an all-time high. Noranda invested $63 million of those profits in other companies and increased its working capital by another $61 million. The president of Noranda rejected the suggestion that the company should pay out, as customary, 50 per cent of its earnings in dividends. He said it made no sense to do this in view of the tremendously increased amounts of money needed for capital development in the mining industry.

Mr. Kierans points out that investors, be they individuals, pension funds, insurance companies or trust companies, are not foolish. If corporations are not willing to pay dividends, investors see no sense in investing money. The result is that although corporation profits are at an all-time high, share prices have come down. He was referring not only to International Nickel and Noranda but to most other corporations as well.

Mr. Kierans says, and I agree, that corporations are not interested in the welfare of the people of Canada or in the welfare of their own shareholders. As I said earlier, Mr. Kierans is not a radical, is not a socialist, is not one who thinks Canadian corporations should be taken over by the state and put under public ownership.

What does he think should happen to the mining companies and other corporations of this country? He says:

> It is high time that the government prevented takeovers and mergers and gave these giants three choices—reduce prices, increase dividends to shareholders, or pay taxes on the excess profits. Perhaps a combination of all three.

I ask members: has any of this happened? Prices have not been reduced; they are going up. Dividends have gone down, if not in actual dollar terms then in percentage of profits. The percentage of profits now paid out as dividends is much smaller than the percentage previously paid out, and the rest is used for exploration and for moving into fields in which a company has not previously been engaged. This applies not only to Noranda and Inco, but to Canadian Pacific and other large corporations in Canada.

Mr. Kierans also said:

> . . . if the government really wanted to reduce inflation, there would be no better time than the present to cut tariffs by 25 per cent across the board. Nothing else would do as much to put pressure on prices, wages, and profits by enforcing efficiency, productivity, and competitiveness, qualities that we are going to need in the coming struggle for declining markets.

We go through the motions. We pay lip service to GATT, but the government has made no serious effort to cut tariffs, to make Canadian corporations more efficient and

force them to compete with United States or Japanese corporations and so bring prices down for the ultimate benefit of Canadians.

According to Mr. Kierans, Inco's profits after taxes in 1972 were $110 million, and in 1973 $227 million. This year they will exceed $300 million after taxes. The profits of Noranda, after taxes, in 1972, were $64 million. In 1973 they were $121 million. This year they will approach $200 million after taxes.

● (1540)

I use the argument which Mr. Kierans made in his article, and made while he was a member of this House. I cannot say for a moment that I have made it as effectively as Mr. Kierans, but I use it because it illustrates so well that in bringing forward this and other legislation it is really not the intention of the government to deal in a fundamental way with the power and growing stranglehold which the large corporations have on the life of this country.

We should look at what is being done in other countries. We should look at what the Norwegian government is proposing to do, and has already done, with regard to bringing in North Sea oil which is under the control of Norway. we should look at what the British government proposes to do about North Sea oil which is in the area controlled by Great Britain. These proposals have received the encouragement and endorsation of journals such as the Manchester *Guardian* which is not a supporter of the labour government. Those journals are not organs of socialist opinions.

Governments must play an increasingly dominant role in the lives of people. They must put on more controls and restraints, and plan more fields of life which affect every citizen.

If we compare the steps other countries have taken with the puny hesitant steps this government proposed in other legislation and is proposing in this bill, we see how little the government is prepared to deal with the facts of life and the tremendous problems which the world faces in 1974, and is likely to face until the year 2000.

The members of the New Democratic Party do not believe this bill does anything except nibble at the edges of one of the fundamental problems of the country, how to meet the needs of the world, and how to bring about the organization of industry and business, whether publicly or privately controlled, so that it begins to satisfy the requirements of the people of Canada. This and other legislation which the government has brought in, or proposes to bring in, does very little to meet the needs of the Canadian people.

Having said that, I say that to the extent it moves in the right direction, even though it is probably inches compared to the miles it ought to move, we will support it. We are prepared to let this bill pass second reading and go to committee where we can study it in detail. We will try to improve it there. We will be making certain proposals so that the bill will include some of the things it does not now have in it.

We have no desire to hold up this bill. We will not try to do that. However, we do not believe the bill does the job which is required. It does not meet the needs of the people of this country. Therefore we are skeptical about the value which this bill will provide for the people of Canada.

Mr. Bill Kempling (Halton-Wentworth): Madam Speaker, I believe there is agreement to let this bill pass at four o'clock, and for Your Honour's guidance I will conclude my remarks a few minutes before that, so the question may be put.

In many ways I welcome this bill. It is a clean sweep approach that should have been taken five or even 10 years ago. It closely follows legislation enacted in the province of Ontario.

I commend the government for finally getting around to the point of bringing in a new corporations act. I suppose it can be said in somewhat general terms that the cornerstone of commerce in Canada is a sound and clear corporations act, a workable combines act, an understandable tax act, a bank act, and supporting legislation that will complement the commercial trade structure in this country.

In this legislation we have the makings of a sound corporations act. When we get it to committee we will certainly want to study it in detail. That is where a bill of this nature should be studied.

In my remarks I will speak in a rather general way about the bill and business, leaving the details and nitpicking for committee, where I assume we will hear witnesses from various segments of commerce indicating any inequities they may see in the bill. I know that hindsight is great. We all have 20/20 vision when we look back. However, I cannot help but reflect that had we enacted this bill five years ago we might have a somewhat different condition in this country today as it applies to business.

A great deal of comment has been made in the past 18 to 24 months about the business community. I think it can be fairly said that business has been under attack for several months. Comments have been made about ripoffs, price fixing and inside trading. There have been other comments that are derogatory and detrimental to the business community.

I think it is a fair comment to say that some of those remarks are well-founded. When talking about business, corporations and how they act, the problem is that we tend to encompass everyone in those terms. Of course all business is not ripping off the general public, as is believed and promoted by my colleagues to my far left. No doubt there has been inside trading going on in respect of shares and the sale of shares, as well as divulging inside privileged information that should not have been given. We certainly know that price fixing exists.

● (1550)

But I think that for the most part the business community acts responsibly and is trying, under very hard conditions, to conduct business fairly as far as consumers are concerned while at the same time ensuring, of course, that shareholders receive a due return for their investment. We are where we are today because of what we loosely call the free enterprise system, and I believe that if we should ever get away from what we call the profit motive our position would be very serious indeed.

The bill before us is probably the first step to restoring some confidence in business in general. We see the stock market at a very low ebb; many of our corporations are going to the wall as a result of difficulty in raising money to carry on their operations. Traditionally they operated through the stock market. Today many of them find that their bonds and debentures are not saleable. The Minister of Finance (Mr. Turner) tells us that the major key to levelling off inflation lies in increasing supply. We may or may not agree with this theory, but that is his point. Well, we find that in trying to raise funds to continue expansion in their operations the business community have encountered severe difficulties. Some have raised prices because there is a continual cycle of price increases going on, and they are using the retained profit to finance their own expansion.

One of the best ways to overcome a good deal of the inflation in the country would probably be to bring back confidence in the stock market so that shares will be traded again. This would allow the companies to return to their usual practice of asking for a reasonable return on their investments so that they might pay shareholders in return for the risk they have taken. This bill is a first, though limited step toward clearing up the business climate.

As my hon. friend said, the government has followed Ontario's lead. I note that British Columbia has put a new corporations act on its statute books in the last few years, and I hope other provinces will follow the example of Ontario and the federal government by enacting corporations legislation which will ensure a degree of uniformity across Canada. As hon. members realize, Canada is a difficult country in which to do business because of the vast distances between major centres; there is a tendency for a great deal of the commerce to congregate in four or five areas. This results in regional disparity. If we could promote the establishment of uniform corporations legislation across the country it would go a long way toward improving business conditions in Canada generally, and thus help to restore confidence among investors.

While the bill is in committee we might consider whether or not it provides for the exercise of any effective control over branch plant operations. From my own study of the measure so far, I cannot see that it does. However, we may find that some guidelines are set out on the basis of which branch plants can operate. This would not only encourage such firms to stay here; it would be good for the people of Canada as well as for the plants themselves. Generally, as I have said, the businessman is a straightforward, honest guy. Most of them are not nitpicking lawyers—

Some hon. Members: Oh!

Mr. Kempling: I see there are a lot of lawyers here this afternoon. Businessmen appreciate legislation which they can understand without the help of expensive advice, and I congratulate the draftsmen for putting some clear wording in this measure, wording which the average man can understand. If the Income Tax Act and the competition legislation could be drafted in the same way, businessmen would probably be able to surge ahead with greater speed. I shall resume my seat, now, in order that the question may be put, Madam Speaker.

[Mr. Kempling.]

The Acting Speaker (Mrs. Morin): Order. Is the House ready for the question?

Some hon. Members: Question.

Motion agreed to, bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

ROUTINE PROCEEDINGS

[*Translation*]

PUBLIC SERVICE

REFERENCE OF FINKELMAN REPORT TO SPECIAL JOINT COMMITTEE

Mr. T. Lefebvre (Pontiac): Madam Speaker, I request the unanimous consent of the House in order to announce, on behalf of the government, the establishment of a special committee to review the Finkelman report.

[*English*]

The Acting Speaker (Mrs. Morin): Is this agreed?

Some hon. Members: Agreed.

Mr. Lefebvre: Then I move:

That the Members of this House to serve on the special Joint Committee on Employer-Employee Relations in the Public Service be Messrs. Alexander, Baker (Grenville-Carleton), Blais, Clermont, Daudlin, Dinsdale, Dionne (Kamouraska), Fairweather, Forrestall, Francis, Gauthier (Ottawa-Vanier), Herbert, Knowles (Winnipeg North Centre) and O'Connell; and that a message be sent to the Senate to acquaint Their Honours thereof.

Motion agreed to.

The Acting Speaker (Mrs. Morin): It being four o'clock, the House will now proceed to private members' business as listed, on today's order paper, namely, notices of motions, public bills, private bills.

Mr. Lefebvre: Madam Speaker, I think there would be general agreement to call private member's Notice of Motion No. 4 standing in the name of the hon. member for St. John's West.

Mr. Baker (Grenville-Carleton): There is certainly no objection to calling item No. 4, but I notice that according to the order paper items Nos. 2 and 3 were allowed to stand and retain their position by unanimous consent. I presume this arrangement will continue and that they will not lose their places on the order paper.

Mr. Lefebvre: That is agreed.

PRIVATE MEMBERS' MOTIONS

[*English*]

TRANSPORT

SUGGESTED REDUCTION IN FARE STRUCTURE OF NEWFOUNDLAND FERRY SERVICE

Mr. Walter C. Carter (St. John's West) moved:

That, in the opinion of this House, the government should consider the advisability of reducing the present passenger-car fare and freight rate structure of the North Sydney, Nova Scotia, to Port-aux-Basques and Argentia, Newfoundland ferry service to better conform with the cost of travelling a comparable distance on the trans-Canada highway system as a more economic link between the Province of Newfoundland and the mainland of Canada.

He said: Madam Speaker, I am pleased to have the opportunity of presenting this motion; it is the second time this year that I have had the pleasure of doing so. The first time was on April 8 of this year, when we debated the motion, but unfortunately were not permitted to vote on it. Consequently it dies on the order paper.

● (1600)

The subject matter of the motion is not new to this chamber. I have raised it on numerous occasions, the first time being on November 1, 1968, during my maiden speech. So you see, Madam Speaker, if persistence and determination are worth anything I think the motion should be allowed to come to a vote this afternoon. I have enough confidence in my colleagues to say that, having read the motion and listened to my speech and to others that will be made on this matter in the next few minutes, I am sure they will see things our way and will support the motion.

The ferry service to which I make reference is the only link between Newfoundland and the Canadian mainland except, of course, that link provided by the two air lines operating in and out of the province. Surely, then, this House must appreciate the importance of my motion, because the 90 miles stretch of water separating our island province from the rest of Canada is to us Newfoundlanders what the trans-Canada highway is to Canadians living in other parts of Canada. I contend that so far as passenger car and freight rate service are concerned we should not be treated any differently from people living in other parts of the country.

I might add, too, that this debate is rather timely because it was only yesterday that the Food Prices Review Board presented a report on food prices in Newfoundland, showing that Newfoundlanders are paying in certain areas as much as 20 per cent more for their food than is paid by their fellow Canadians. The findings of the Food Prices Review Board indicate that transportation is one of the major contributing factors to the high cost of food, services and other commodities in our province.

In its report the Food Prices Review Board makes certain recommendations. A number of its recommendations include improvements to the gulf ferry service. These improvements are necessary, in the opinion of the members of the Food Prices Review Board, in order to ensure a faster, more efficient and I presume cheaper transportation and freight service across the gulf separating North Sydney, on the mainland of Canada, from Newfoundland.

It is rather ironic, Madam Speaker, that today we hear members of the government talking about equal opportunities and equal rights in something as uneconomically measurable as language and as abstract as the Canadian identity. Is it not equally important that people should have equal opportunity to be accessible one to another? As the situation now exists in my province—I presume the same situation pretty well exists in other parts of Canada, including Prince Edward Island and the western end of the country—people are being denied the right of accessibility to fellow Canadians.

In 1969 or 1970 the Canadian National Railways, with the concurrence of the Canadian Transportation Commission, and with the full knowledge and consent of the Canadian government, abolished Newfoundland's rail passenger service. Since that time we have seen Canadian National take other action which has had the effect of reducing its presence in our province. This, along with the action taken by the federal government in moving some of its offices out of the province into the maritime region, leads one to believe that we are being reduced to colonial status. I do not think Newfoundlanders joined confederation in 1949 to become a colony of Canada. We were a colony of Britain for a large number of years, but I do not think we want to continue now as a colony of this country.

Newfoundland has the dubious distinction of having the highest cost of living of any province in Canada, the highest rate of unemployment, the lowest per capita income, the highest cost of shelter and, I believe, the highest cost of transportation. I do not have the figures before me, but I believe I am safe in saying that the cost of transportation in our province—the cost of buying, operating and maintaining a motor vehicle—is from 12 to 15 per cent higher than it is in other parts of Canada.

This is why I believe it is essential that the government take the necessary action to remove this inequity and to make the people of Newfoundland more accessible to their fellow Canadians. This can be done by reducing the cost of travelling on the ferry, the cost of transporting a car and family across 90 miles of water separating Newfoundland from the rest of Canada. I contend that the fare structure should be reduced to make it consistent with the cost of travelling a comparable distance along any part of the trans-Canada highway.

I do not think we are being unreasonable in asking for this. I believe that if confederation is to be meaningful to the people who live on the island provinces, certainly if it is to be meaningful to us, then the Canadian government has a very serious moral and legal obligation to provide us with a decent, modern and efficient passenger transportation service.

I am not going to talk for long, Madam Speaker, because I want this motion to come to a vote today. I realize that if I take up too much time with my remarks, and since other members also wish to speak, the motion could very well be talked out. I am hoping that by cutting my remarks short members on the other side will do likewise, and that the motion will be brought to a vote before five o'clock. I hope all members will see fit to support it. I am sure that the people of Newfoundland, as well as the people of Prince Edward Island and other parts of Canada where ferry services are essential, will be very thankful to this House

and to the government if they see fit to reduce the fares as I have suggested, bringing them in line with the cost to other Canadians of travelling a similar distance.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, I agree with the sentiments expressed in this motion and I realize the inadequacy of the kind of transportation to which the hon. member refers. It surely must be recognized by all members of parliament that transportation has always been, and still is, a major concern of all the Atlantic provinces. We lag far behind the rest of the country, the far north excepted, in all forms of transportation—that is, air, highway, rail and water.

Thanks to the recognition of this problem by the federal government, the Atlantic provinces now have their sections of the trans-Canada highway. But this is only one route and it is obvious that these small provinces with small populations, and an even smaller industrial base, cannot build and maintain the kind of arterial highways which modern transportation systems require.

● (1610)

Hence the federal government will have to continue to assist, through such financial arrangements, the continued development of a modern system of highways in Atlantic Canada. The national railway, the CNR, seems to be and has been for years on a deliberate course of making rail transport as expensive and as difficult as possible. Nowadays it may cost more to send a single package by CN than the contents thereof are worth. And unless the article has a very long life span it will be obsolete, rotten, or dead, before it reaches its destination. If indeed it escapes all the aforementioned fates, it is liable to be bent, spindled or mutilated beyond recognition.

I might point out that very often by CN rail it takes freight at least two weeks to travel from Montreal to northeastern New Brunswick. A good deal of this delay is due to inefficiency and over-haul, whereby cargo is hauled beyond its destination, stored in a warehouse, and then hauled back again.

In the field of passenger service the railways have had even greater success in their aims and objectives than in freight and express. The trains normally run late; they are uncomfortable and slow. The officials are often indifferent or even discourteous, and unless one is a millionaire it is necessary to carry one's lunch along. Maintenance is inadequate, both on the roadbed and the rails, judging from the frequent derailments experienced in Atlantic Canada.

Air service as well leaves a great deal to be desired. The national carrier obviously gives thought to Atlantic Canada only as an afterthought. The service of the regional carrier, Eastern Provincial Airways, is much, much more personalized service than the national carrier, but its scheduling requires a great deal more thought and imagination. It does little good to substitute a slow daily plane for an occasional fast one that comes in only occasionally.

You, may well ask Madam Speaker, what all this has to do with the motion we are now discussing. The answer, of course, is that I am trying to put this problem in context vis-à-vis the entire problem of transportation in Atlantic Canada.

[Mr. Carter.]

Obviously the most unsatisfactory form of transportation by its very nature is ferry service. But the government of Canada has invested a great deal in providing better ferry service between Newfoundland and the mainland, and between Prince Edward Island and the mainland. Having said that, I sympathize with the sentiments behind this motion. I must ask, however, whether its implementation would not have the effect of cutting off one's nose to spite one's face.

Can one logically expect, in view of the present high subsidies, to lower fares substantially and at the same time increase service? I would suggest, however, that a look should be taken at the rate structure. It might be well to base the charge on a flat rate for a car and all of its occupants, so that families will not be penalized unduly. Does it cost more to transport a family of six than a family of four? In conclusion, Madam Speaker, I cannot support this motion because its net effect would be to create yet another disparity in Atlantic Canada.

Mr. Heath Macquarrie (Hillsborough): Madam Speaker, I am delighted to support the motion of my colleague, the hon. member for St. John's West (Mr. Carter), who has presented an excellent case. He is indeed an excellent member. He is a diligent, thoughtful and far-seeing member of this place. He has, with his usual realism and precision, zeroed in upon one of the greatest issues which troubles our region, and indeed our nation because the land is not prosperous if any region thereof is lacking in prosperity. He is dealing with an issue of national importance.

It is appropriate that he and I should be discussing it because, in a sense, we are both from islands, although I think Prince Edward Island is the only island province because the great Labrador mainland is part of the province to which my colleague belongs. In another way I suppose that might be said because in my province, in the constituency which I represent, Canada began. The 1864 cradle of Confederation conference was localed in Charlottetown, and Newfoundland so far is where Confederation has ended.

I am not saying that Confederation with Newfoundland brought the thing to an end, but this is the last expansion so far, unless the Turks and Caicos Islands join us, and other adventurous developments in the south take place in God's good time. It is tremendously important that we deal with transportation as our ancestors in this chamber from the maritimes have had to do, because by a fine, enlightened, considerate, sensitive policy the national government can do something to offset the economic imbalances which came upon our region because of Confederation.

In the days before there was the great union in the 1860's the people in my part of Canada and the people in Newfoundland were well located in terms of the economic factors of importance. They were in a good position for trade. The Atlantic was a corridor of commerce and their location, their marine centred economy and their initiative brought for them a degree of prosperity which they have never attained since, relative to other parts of North America.

Now, their location on the seagirt shore of the eastern part of Canada is not an advantage. It is often a disadvantage. As the hon. member for St. John's West says, it seems that, being the tag end of the transportation line, things cost more in our provinces. All the economic indices find us at the bottom. I refer to such things as unemployment and high wages. But in things that should be lower, such as the cost of living we are at the top. Sometimes Prince Edward Island and Newfoundland have competed in those two dreary and soul-destroying economic indices, the high cost of living and the low rate of wages. So, transportation aid must be used as an amelioration for their problems. Freight rate increases in recent years have had the opposite effect.

The kind of thing the member has suggested in this motion would be of some help to our people. I am amazed that the government supporter who just sat down has worked out that it would be unhelpful for our provinces and the people of Canada if there were lower rates on the ferries connecting the islands with the mainland.

Surely it was the belief of those who formed Confederation that the joining groups would share economic advantages and economic disadvantages. National policies are made to take into consideration regional disparities. How logical, how reasonable, and how sensible is it to say that there will be free interprovincial movement unless you happen to live in Prince Edward Island or Newfoundland?

● (1620)

No one has to pay $5 to go from Ontario to Quebec. There is no collecting agency on the border of Manitoba and Saskatchewan soaking those people $5 or $10 every time they go to the other province. But try getting off Prince Edward Island without paying for it, try getting off Newfoundland without paying for it, or try getting on.

An hon. Member: How about Vancouver?

Mr. Macquarrie: The hon. member mentions Vancouver. I will not talk about intra provincial transportation but interprovincial.

This is the iniquity. This is the thing that should be faced. Indeed, instead of having the presumption to increase the cost of taking automobiles and people from province to province, from our island to the mainland and back, a move should be taken to abolish such tolls. The people of Charlottetown, the people of St. John's, the people of Port aux Basques, should just as truly benefit from the trans-Canada highway as those who live in those provinces which do not have the good fortune to be islands.

However, I do not want to get into the area of psychic satisfaction and psychic income, because we are often told in our part of the country that we do not really need these hard and important economic gains because life is so beautiful in the psychic sense. All of that is true. These are two beautiful provinces that we are discussing and I cherish them both, particularly the one of my birth. But I do not find that the Bank of Nova Scotia in Charlottetown is any more susceptible to being paid in psychic funds that its branches in Ontario or Quebec.

In other words, the people in the beautiful part of the land have also to compete in the hard currencies of today's real world, and I believe that in zeroing in on one of the deterrents to the prosperous self expansion of our own economy, namely transportation, my colleague, the hon. member for St. John's West, has struck the right note. He struck it clearly and strongly, and I hope that my friend, the Parliamentary Secretary to the Minister of Transport (Mr. McIsaac), who himself is an islander and therefore is one step ahead in the comprehension of all these problems, will relate it to the minister, and that before too long we will have a real look at these bottlenecks. Indeed, it is bad enough to give us a bottleneck, but to make us pay for it in increasingly heavy doses is, in the vernacular which I rarely use, laying it on a bit thick.

So I am enthusiastically in support of this motion, and I commend it to the government. I know it is not interested in such political things at this stage of the game, the last election being so near behind and the next one so far ahead, but if it wants to win friends and influence people in our part of the country, even though that may be disastrous to some of us personally, I would suggest that the very first recipe for it to learn and to put into effect would be to take some curative action on our transportation problems, one of which was so eloquently described by my colleague today.

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I rise to add a few words of support for this motion which was presented by my colleague and so eloquently supported by my other colleague on this side of the House. One of the reasons is that I would find it unfortunate if the first apologist for the government should feel he can go off for the weekend now that the government which he supports is the best of all possible governments, and has done everything possible for people in all parts of this country.

Mr. Dionne (Northumberland-Miramichi): Madam Speaker, I rise on a point of order. To begin with, I am not an apologist for the government, and secondly, I have never suggested that we have the best of all possible worlds. If the hon. member had listened, he would have known that I enumerated the numerous problems with which we have to deal. My point was that this motion does not deal with them but simply creates another disparity.

Mr. Munro (Esquimalt-Saanich): I accept the reprimand, it being Friday afternoon. But I think he should be reminded, at least once again this week, because we have been reminding the government side of it, that there are areas in this country which have been neglected. It is being done now. Someone mentioned the west coast a few minutes ago and the trans-Canada highway. Some people in this chamber may not realize that mile zero on the trans-Canada highway is in the riding of my colleague, the hon. member for Victoria (Mr. McKinnon), and that it passes through my riding on its way to Nanaimo.

Then there is a great gap in this magnificent trans Canada highway which joins the island on the west coast to the island on the east coast. Mile zero is on the west coast. But the gap there has to be filled by a ferry. Now, the construction of that ferry from the west to the east coast was done with funds provided in part by the prov-

ince through which it passed. That gap is not being filled with funds from the federal government. This is the thrust of the small contribution that I wanted to make.

I think that one of my colleagues the other day raised the question in the House as to why there was no support for the ferry that joins Vancouver Island to the mainland, to which the reply was that the government cannot support transportation within the province. Unfortunately this is belied by some of the facts that have been brought to my attention.

There is support given in postal services on the east coast. There is also a ferry service, the construction costs for which were provided by a federal government grant to the province of Ontario even though it was from one point in Ontario to another point in the same province. So I do not want to have that sort of reply stand on the record unchallenged. There is a gap in the trans-Canada highway the filling of which has not been supported by this government, and I feel that it should be mentioned this afternoon in support of the motion before us.

Mr. Jim Fleming (York West): Madam Speaker, I am always pleased, as the member representing a suburban Toronto constituency, when I can rise and speak with some measure of support for a proposal put forward by a colleague from the great province of Newfoundland. I am very pleased that within my own riding, if I can be political, there are a number of people who hail from his part of the country, and it will be a happy day when I will be able to investigate the "great homeland" that they talk about so often.

When I read the first part of the motion that:

—the government should consider the advisability of reducing the present passenger-car fare and freight rate structure of the North Sydney, Nova Scotia to Port aux Basques and Argentia, Newfoundland ferry service to better conform with the cost of travelling—

Up to the part in which the hon. member says that we should consider assisting them, I find that there might be merit in the proposal.

I am not an expert and have not done any deep investigation of what the subsidy level now is, but I have a few facts on it. I do believe it is reasonable to allow people to move freely and provide for them access back and forth from any part of our nation to another. I hope, later on in my comments, to point out that we do not need a water barrier of 90 miles to have difficulty communicating in transportation back and forth in Canada today.

● (1630)

Indeed, in southern Ontario there are examples of shorter distances than that, with hard firm land and no mountains in between, where people have difficulty commuting. They are in fact land-locked. I do not believe, as one hon. member mentioned, that there is significance in the fact that this 90 miles stretch is a borderline between provinces. It is not just a line on the map, but is a considerable boundary which isolates that province.

However, the motion loses much of its saleability when it says:

—to better conform with the cost of travelling a comparable distance on the trans-Canada highway system—

[Mr. Munro (Esquimalt-Saanich).]

If it had simply said that fares should be reasonable on this 90 mile barrier it would have been better. I know there are subsidies, but perhaps they should be larger and the fares should be decreased. There are other instances in this country where there is no regular service, such as places in the far north, and there is as much difficulty there as between these two points in Newfoundland and the mainland, and where the costs are even greater. Those people are at a greater disadvantage but no one suggests that the air fare from Edmonton to some point in the Northwest Territories should be the price of the gas it would take for a motorcycle to go that distance overland. I am surprised at that comparative suggestion in the motion.

Although the price should be kept as reasonable as possible, Madam Speaker, still people must pay for service. One of my concerns about soaring medicare costs is that the federal government in forcing the provinces to join in a portable medicare program, encouraged a system where there is no requirement for a token payment for the services received. Sometimes this sort of thing doubles or triples the burden on the taxpayer because such services are taken advantage of, and in the end the people who need them are at a disadvantage because the doctors are so busy they cannot take care of everybody. In the same way I think there should be some requirement for the user to pay for transportation.

Considerable amounts of money are already being expended on transportation services, and particularly in the maritimes. The gulf service is not the only service provided on the east coast. The government provides ships and port facilities at no cost, between Prince Edward Island and the mainland. In fact there are seven ships operating between Prince Edward Island and the mainland, one between Yarmouth and Bar Harbour, and 20 others in service in that area. So there is a good deal of assistance; in fact millions of dollars in capital costs, and also help in offsetting operating costs on the route we are discussing today. Perhaps there should be more, but we should remember that the money we spend is the money of the Canadian taxpayer and there is only so much in the coffers.

One hon. member mentioned the many problems faced by the people of Newfoundland—the high unemployment rate, the high cost of transportation and the high cost of food. It should also be recognized by hon. members opposite, and I am sure it is, that the federal government has attempted to lend assistance to all parts of Canada that find themselves under economic duress. For instance, unemployment insurance aid in Newfoundland today has grown tremendously from what it was a few years ago, but there is only so much money and it must be spread in many directions.

In the last parliament I criticized the government because of the lack of an over-all transportation policy that would allow our large urban areas to relate to our rural areas, and allow people from all parts of the country to come and go easily. I am not happy that it costs more to fly from here to Vancouver or Newfoundland than it does to fly to other parts of the world at a greater distance, Madam Speaker.

I should like to point out some other dilemmas. There is a small town at the base of the Bruce Peninsula called Wiarton. It is only 20 miles from the relatively large community of Owen Sound, and only 140 miles from Toronto. But an old person there, living on a limited income, is virtually isolated. For people like that it is not just a matter of $3 for a berth on the ferry to go 90 miles, it is $15 or $20 by the time they order a cab to go the 20 miles to Owen Sound to get the bus—because there are no trains—to go to some other part of Ontario. It does not take a 90 mile expanse of water to isolate people, Madam Speaker.

Mr. Carter: Madam Speaker, would the hon. member permit a question?

The Acting Speaker (Mrs. Morin): Will the hon. member for York West (Mr. Fleming) allow a question?

Mr. Fleming: Certainly, Madam Speaker. When I complete my remarks I will be pleased to do so.

I am saying that I can see the problem and perhaps the need for further subsidies, but I am also saying that rather than move on one particular motion it is an over-all transportation program which must be demanded on all sides of the House. It is extremely important that Canadians in any part of the country not be isolated. We must not just think of transportation as being able to move by bus anywhere in the urban community, but must remember that transportation also means relating to and communicating with other parts of the country.

As I say, Madam Speaker, the cost is great and the pie must be cut in many pieces. It is extremely important that we approach the matter with an overview, and not just concentrate on the problem of the 90 mile gap. We must understand that we must subsidize in all directions, not just between Newfoundland and the mainland, or the Northwest Territories down into the provinces. People in all outlying areas must have access to others. Even if a bus runs through a community just once a week it is a chance for the people there to get about and visit.

A lot of money has to be spent and the government has pledged to improve the situation. I share the concern that ordinary Canadians should have access to transportation from one province to another, from one town to another, at reasonable cost.

I should like to make one other point about the ferry service from the mainland to Newfoundland. It must be remembered that there are also a number of private enterprise competitive services running. I am sure my hon. friends, members of Her Majesty's Loyal Opposition, would not want to deny that party's firm belief that competition and private enterprise should be encouraged. It is true we want a good service and do not want to rely on a service where the private sector could let us down.

● (1640)

I know that government service is provided. But if the subsidy is too great, if the outlay of the company is too small and if there is lack of competition, service suffers. One will then find that the level of service becomes lower, that the service is less efficient, that schedules are not adhered to. On the other hand a private corporation tries to adhere to schedules, improve service, provide more comfort, and generally do better.

The hon. member for Hillsborough (Mr. Macquarrie), who spoke some minutes ago, said we must share; that is, Canada as a whole must share the benefits of service with the people of the Maritimes. I agree that the federal government must make sure that service is provided equitably, and that we do not say to one particular area, "We are giving you a little more." That is why I cannot accept the motion, as worded. The government must be fair; it must provide an overview. It must make sure that benefits and services are offered equitably to all.

Either the hon. member for Hillsborough or the hon. member who preceded him said we needed national policies in transportation. That is exactly what I am saying, and that is why I cannot support a motion which pleads for parochial benefits, which asks for a subsidy for one area. I cannot support that. I would, however, support a policy which would make available on the same basis service to the people in Wiarton as well as to the people in the Northwest Territories, Newfoundland and other parts of the Maritime provinces. Finally, I think it is unfortunate that the motion compares the cost of travelling on the trans-Canada highway with the cost of running a ship. That comparison is unfortunate.

Mr. Carter: Madam Speaker, will the hon. member permit a question? To strengthen his argument the hon. member used the analogy of the small, isolated farming community. Surely there is a difference between a community which is isolated by 20 miles of land and one that is separated from the mainland by 90 miles of water?

Mr. Fleming: Madam Speaker, I think it is possible to equate two such communities. Let me say that the community in Newfoundland has available a heavily subsidized service. Actually, there are six or seven private services which people in Newfoundland can use if they want to move to the mainland. On the other hand, somebody living in an isolated region of southern Ontario may need to pay between $20 and $30 for a cab, which will take him only 20 miles, and then he must start paying for public transportation.

Mr. Stuart Leggatt (New Westminster): Madam Speaker, I rise to support this excellent motion and congratulate the hon. member for bringing to the attention of the government the lack of transportation policy. It is all very well for the government to say that we must wait for a national policy which will solve parochial problems. The government keeps saying it has the answer, that it will bring forward a national policy. There has been such talk in this country ever since I was born, and the only solution to our difficulties has been the sporadic introduction of mish-mash solutions.

I applaud the sentiments of the hon. member who proposed the motion. He wants to encourage people to move across the country and visit each other. I think we should vote on this but I am afraid that the remarks we have just heard were designed to spin out this debate, to the point of precluding a vote.

As the hon. member for Esquimalt-Saanich (Mr. Munro) said, British Columbia coastal ferry services are not feder-

ally subsidized, the people of the province being forced to pay hundreds of thousands of dollars to support the system. Anyone looking at the map will realize that those travelling from Vancouver Island or the Queen Charlotte Islands to the mainland must cover a fair distance over water, in the same way as those travelling from Newfoundland to the mainland must cover a fair distance of water. Clearly, coastal transportation is an area of difficulty in this country.

The government talks of uniting the country. Madam Speaker, the longer we take to cure our inequities in transportation, the higher will become the mountains of British Columbia! I know the province is not separated from the rest of the country by water, as is Newfoundland. That fact is incidental and unimportant. We need a rational transportation policy. Admittedly the motion before us refers to a subsidized ferry service for the east coast; let me point out that the British Columbia ferry service is not subsidized, for reasons I have never understood.

The argument that we only subsidize interprovincial ferries will not wash. The Library of Parliament study on Canadian ferry services, recently published, shows that $51.8 million was spent on subsidizing ferry service, largely Canadian National Railways ferry service. There is also reference to the subsidy for the Tobermory and South Baymouth ferry service.

An hon. Member: Manitoulin Island is like another province.

Mr. Leggatt: That service does not cross provincial boundaries. So, the government is being inconsistent in its approach to subsidized ferry service.

Most of us in British Columbia want to discourage sentiments of separatism which lie just under the surface. Sometimes we find this difficult, especially when we learn that the government subsidizes heavily a ferry service which owns more vessels than the Canadian navy. Such subsidies are only possible because the government has adopted an inconsistent and irrational transportation policy in the many years it has mismanaged the affairs of the nation.

Mr. Cliff McIsaac (Parliamentary Secretary to the Minister of Transport): Madam Speaker, let me thank the hon. member for St. John's West (Mr. Carter) for bringing forward this motion which deals with ferry service to Newfoundland and, by implication, with ferry service to other parts of the Maritimes and other parts of Canada. The hon. member dealt with various aspects of transportation. It is in that context that we must consider this motion.

I was impressed by the comments of the hon. member for Hillsborough (Mr. Macquarrie), who has left the chamber, and by those made by the hon. member for St. John's West. I was born on the east coast and recall how important it was to get to Charlottetown harbour on time to catch the ferry. I remember the ice boats which crossed the harbour in the spring. They crossed from Prince Edward Island to New Brunswick when the larger icebreakers, the CNR ferries, could not get through because they were caught in an ice jam. I appreciate the concern of the hon. member about ferry service to his home province.

[Mr. Leggatt.]

I am not certain that I agree with everything the hon. member for Hillsborough and the mover of the motion said. I was under the impression that they were, in a way, downgrading their provinces by saying how tough things are, all because of transportation difficulties. I am sure that they did not mean to leave the impression that they were downgrading their own provinces.

● (1650)

I am sure they do not mean it that way, but they do have a lot of other attributes on both islands. The tourist traffic and tourist industry have been building up tremendously, abetted by the ferry services that are there. The improved ferry services are another factor insofar as the economics of Newfoundland are concerned. I do not think we can look at this from one side only, with even more subsidized service than now exists.

While I appreciate the advisability of the motion from the point of the hon. member who moved it, I ask hon. members to oppose it in this particular form. I will advance some arguments on why I ask that.

I can well appreciate the hon. member's concern for service to his province. That is a legitimate and genuine concern. Indeed, it is not only a concern of his and of other members from Newfoundland, but of members from other parts of Canada. Accessibility to Newfoundland is a concern of all of us. Indeed, it was a condition of confederation. In total, it is one that has been very admirably fulfilled when compared with the situation prior to confederation.

I can recall as a boy loading produce, cattle and other things on ferries out of Charlottetown bound for Newfoundland. That ferry service is a vital link in the chain of uniting our Canadian provinces, as is the ferry service to the province of Prince Edward Island and the railroad that was built years ago across the prairies and western Canada to link the province of British Columbia to Canada. All of this points out the very vital aspect of transportation, not only to Canada today but to our development as a nation.

Every time we look at a motion like this which involves ferry service to Newfoundland, we ask why it is different from ferries that run in British Columbia, across rivers in Saskatchewan, ferries to Manitoulin Island and others. The answer is obvious on why there are variations. They were all built for different reasons, and probably at different times. It is not easy to resolve this problem with a uniform policy for all of Canada, based on local needs and traditions, and how they evolved. Those are a few of the reasons why it is difficult to come up with an equitable policy for all of Canada with regard to ferry service.

How much should we subsidize ferry service to the province of Newfoundland? How much does it cost to maintain that service? How much will it cost in the future? The figures are high. What was the capital cost of the facilities now there? They were paid for by the taxpayers of Canada. What are the present and projected operating costs? These are huge figures.

When making an examination we must look at other needs insofar as capital investment in Canada is concerned. There must be increases and improvements in our transportation service in other areas of Canada.

As a matter of interest the capital costs of vessels now on that service add up to $67 million. That is a very large figure. Proposed vessels for future improved service will involve an additional $100 million. Existing terminals at Port aux Basques, Argentia and North Sydney cost $53 million. Proposed improvements for terminals at Port aux Basques and North Sydney will involve future expenditures of another $50 million.

As the hon. member for York West (Mr. Fleming) mentioned earlier, the tariffs charged for ferry crossings can in some way be compared with the costs of medicare or hospitalization premiums in that they are not related to the cost of providing the service. Certainly ferry services to Prince Edward Island and Newfoundland are not directly related to the cost. There is a considerable degree of subsidy in the operation of both services.

I think that users of services such as hospitalization or ferries would be more cognizant of the cost to the taxpayer if the rates represented 50, 25 or even 20 per cent of the actual cost, and were allowed to rise accordingly. If the costs to users increased by 25 cents, 50 cents or $1 every year to cover fuel costs, or operating costs of medicare, for example, they would be more appreciative of the growing costs of governmental services.

I might point out that the rates for this particular ferry service have not increased in the last year. I say quite frankly to the hon. member who proposed the motion that when these rates are looked at, they will more than likely be revised upwards rather than downwards.

In fairness, if we look at the increases in operating costs, fuel, labour and so on, to provide these services, somewhere along the line we have to decide at what level to peg the subsidy, and what priority must be given to ferry service as opposed to the renewal of rail lines required for transportation in western Canada, a federal commitment of some years ago, and to port facilities on the west coast, another government commitment. Somewhere along the line there has to be an element of balance and rationalization with regard to expenditures to be made in the next few years. There is not much time left when we consider some of the freight that has to be moved.

When we look at the broad picture of transportation and the needs this country will face in the next 10 or 15 years, they make the problems of the last 100 years look small by comparison.

The Acting Speaker (Mrs. Morin): Order, please. The hour allotted for private members' business has now expired. It being five o'clock this House stands adjourned until Tuesday at 2 p.m.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, November 12, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. McKENZIE—ANSWERS OF PRIME MINISTER CONCERNING AIR CANADA BASE AT WINNIPEG

Mr. McKenzie: Mr. Speaker, I have a question of privilege relating to some recent answers I received from the Prime Minister to questions about the construction of a new Air Canada facility and maintenance base for Winnipeg and the construction of the new $15 million hangar. On November 4, last, in answer to my question the Prime Minister stated:

> Mr. Speaker, the Minister of Transport answered a similar question a very short while ago and I think he indicated that no specific date had been set when the thing was being proceeded with.

On Wednesday, November 6, in answer to a similar question the Prime Minister stated:

> Mr. Speaker, I attempted to answer this a few days ago and the Minister of Transport also replied to the question previously.

On checking the *Hansard* index, Mr. Speaker, I could find no printed record of the Minister of Transport making a statement on when the $15 million Air Canada hangar would be built. Could the Prime Minister inform the House when and where the Minister of Transport made his statements and what they were?

Mr. Speaker: Order, please. If the right hon. the Prime Minister wanted to enter the discussion on the alleged question of privilege, of course I would hear him. The hon. member knows, however, that a complaint about the quality of answers received in the question period does not constitute a question of privilege. There is in fact no obligation upon any of the ministers to make replies to questions, and when they do reply, certainly a complaint about the quality of the reply is not a valid question of privilege. In addition, of course, although the hon. member gave the Chair notice of his intention to raise a question of privilege, he has not followed it with any motion seeking action from the Chair so there is no action the Chair could take on this particular question.

[*Translation*]

INDUSTRY

GOVERNMENT MEASURES TO STIMULATE LUMBER INDUSTRY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to the terms of Standing Order 43, I request the unanimous consent of the House to present a motion dealing with an urgent and important matter, namely the rise in the unemployment rate.

I move, seconded by the hon. member for Abitibi (Mr. Laprise):

> That this House study as soon as possible the serious problem now facing the lumber industry which is leading to numerous lay-offs, with a view to implementing measures to remedy the situation.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

● (1410)

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

MOTION FOR CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

On the Order—Motions

November 7, 1974—Mr. McCleave (Joint Chairman of the Standing Joint Committee on Regulations and other Statutory Instruments):

That the Third Report of the Standing Joint Committee on Regulations and other Statutory Instruments, presented to the House on Thursday, November 7, 1974, be concurred in.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, could this matter stand until Friday. There has to be some technical correction in the French version of the report which was presented to the House last week.

Some hon. Members: Agreed.

Oral Questions

INDUSTRY

UNITED AIRCRAFT—PUBLICATION OF DOCUMENTS CONCERNING GRANTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise to move a motion under the provisions of Standing Order 43. This motion arises out of the unanimous request made by the Manpower and Labour Committee of the Quebec National Assembly last week for the federal government to provide "details of agreements regarding grants given to United Aircraft of Canada Limited".

This request from the Quebec National Assembly arises from an inquiry being conducted by that body into recent activity by the United Aircraft Corporation in that province which has received over $80 million in federal assistance and has nonetheless transferred 40 per cent of this year's planned production back to the United States and plans a further transfer of production next year. I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That, following the request by the Quebec National Assembly for the abovementioned information on agreements and the stated willingness of United Aircraft to provide this information, pending federal government approval, this House instructs the Minister of Industry, Trade and Commerce to comply with this request at the earliest possible time.

Mr. Speaker: The House has heard the motion which, being proposed pursuant to Standing Order 43, cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be debated at this time.

ORAL QUESTION PERIOD

[*English*]

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question was for the Minister of National Health and Welfare. I know he is in the lobby and I am wondering if he could be given the opportunity to take his seat, as I know he will want to answer my question.

An hon. Member: Why is he not here?

* * *

INDUSTRY

UNITED AIRCRAFT—PUBLICATION OF DOCUMENTS CONCERNING GRANTS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in the absence of the Minister of Industry, Trade and Commerce, may I direct my question to the Prime Minister. As the committee of the Quebec National Assembly has made the unanimous request for the federal government to provide the details of its contractual arrangements with United Aircraft concerning grants made by the government and obligations undertaken by that company, will the Prime Minister inform the House if the government has reconsidered its decision about making such information public, given the fact that United Aircraft Corporation itself says it does not object to public revelation of this information.

[Mr. McCleave.]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, so far as the government is concerned, I shall want to look into the latter fact. If United Aircraft Company has no reservations, I shall ask the Minister of Industry, Trade and Commerce to report to me and give his views on whether this material is publishable. I perhaps disagree with the hon. member, or at least have some reservations about his suggestion that the federal government should be obliged to submit material in any form to the legislative assembly of a province. However, the substance of the matter remains the same. If it can be made public, it can be made public in this House and some other forum may find use for it.

Mr. Broadbent: A supplementary question, Mr. Speaker. To be clear, may I ask the Prime Minister if it is his view, and therefore that of the government, that, in the case of an agreement entered into on behalf of the public of Canada by the government of Canada on a confidential basis with a corporation, if the corporation does not object to that information being made public because it sees no competitive disadvantage to itself, that being the normal, quite understandable reason for failure to disclose certain information, the government will make this information available to the public. Will the Prime Minister give that assurance to the House?

Mr. Trudeau: Mr. Speaker, that is what I indicated I would be discussing with the minister. I think as a general principle, the point of view of the hon. member seems acceptable to me. Confidentiality is to protect the particular company. If they do not want it, we do not want it. However, there may be particular circumstances of which I am not aware. That is why I indicated to the member I would raise the matter with the minister and ask him to reply to the House.

* * *

CONFLICT OF INTEREST

ARRANGEMENTS FOR USE OF BRONFMAN JET BY MINISTER OF NATIONAL HEALTH AND WELFARE FOR VISIT TO ISRAEL—PAYMENT FOR PASSAGE

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of National Health and Welfare. The Prime Minister suggested on Tuesday that the travel arrangements for the minister's visit to Israel were proposed by the inviting government. Will the minister tell the House if the proposal to fly on the Bronfman jet was included in the formal initial invitation of the government of Israel and is he satisfied that Mr. Bronfman or an official of his company did not first suggest that their corporate jet be used?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I wish to assure the hon. member that all the arrangements for my trip to Israel, which was an official visit at the invitation of the government of Israel, were made by the Israeli embassy.

Mr. Stevens: In view of the fact it was publicly reported on Thursday by the counsellor of the Israeli embassy that the embassy had not arranged the Distillers Corporation plane trip and that aides in the minister's office have said that Mr. Bronfman had invited the minister to accompany him on a trip to Israel, did the minister ever question why that plane should be used and did he inquire into whether alternative Canadian government or commercial airline transportation was available?

Mr. Lalonde: Mr. Speaker, I am advised that the aides in my office never made such a statement. A communication was made with the journalist who printed such a piece of news. No such statement was made by my aides. As far as the arrangements for the trip were concerned, I said they were made by the Israeli embassy and I relied on the arrangements made by them.

Mr. Stevens: Has the minister inquired as to whether Seagrams charged the government of Israel for the use of the jet plane used on the visit? If that has not been done, has the minister arranged to pay for his and his wife's passage?

Mr. Lalonde: No, Mr. Speaker, I have not inquired about this. It is obviously a matter to be settled between the government of Israel and the owners of the private plane concerned. I might remind the hon. member that the Israeli ambassador also travelled with me on this trip.

USE BY MINISTERS OF PRIVATE AIRCRAFT ON OFFICIAL VISITS—ESTABLISHMENT OF GUIDELINES

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I wish to ask a supplementary question for clarification. Did I understand the minister to say this was an official visit by the minister in a private aircraft? If that is the case, I wish to ask the Prime Minister whether it is now going to be the practice of the government of Canada to have official trips taken in private aircraft?

Some hon. Members: Oh, oh!

Mr. Clark (Rocky Mountain): This might not seem important to members opposite, but it is very important to us and the people of this country. If it is going to be the intention to have trips of this kind made by ministers in private aircraft on an official basis, does the Prime Minister intend to issue any kind of guidelines that should be followed by ministers in subsequent situations of this kind.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that is not going to be the government practice. Indeed, I would very firmly want that it be the contrary of government practice. There may be certain exceptions such as the one we have heard about when a trip is arranged by the host government. Even in those circumstances, it might be wise to inform one's self in advance as to the means of transportation. As a general principle, however, there are guidelines that ministers travel at the expense of the government of Canada or at the expense of a particular department.

Mr. Clark (Rocky Mountain): How then does the Prime Minister distinguish the trip that has just been made on the Bronfman jet, apparently for official reasons, by the minister whose jurisdiction includes responsibility for implementation of the LeDain Commission with its recommendations regarding alcohol, advertising and this sort of thing, from the general indication he has given that the government will not approve trips of this sort in private aircraft?

● (1420)

Mr. Trudeau: I believe I gave an answer to that when I was first asked the question a month ago. I was not aware of the nature of the transportation the minister was taking. From what I understand, he accepted the invitation in good faith. I think the conclusion we should draw as a government is that in future when we accept invitations we shall also ask ourselves how we are being conveyed to the place to which we are invited.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—SUGGESTED INCREASE IN NUMBER OF PROJECTS—GOVERNMENT POSITION

Mr. Gérard Laprise (Abitibi): Mr. Speaker, in view of the absence of the Minister of Manpower and Immigration, I shall put my question to the right hon. Prime Minister.

In view of the many lay-offs in the lumber industry in northwest Quebec and elsewhere in Canada, does the government intend to increase its grants to LIP so that more of these projects may be approved this fall thus permitting us to fight unemployment in that sector?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government is always pleased to note that the public as well as the opposition approve LIP projects. As for the hon. member's representation, I shall acquaint the minister with it and if he has to make any statement he will do so.

* * *

[*English*]

EXTERNAL AFFAIRS

WORLD FOOD CONFERENCE IN ROME—CANADIAN ATTITUDE TOWARDS PROPOSED TRADE AND COMMODITY AGREEMENTS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It relates to the on-going World Food Conference in Rome from which the minister has just returned. Bearing in mind the statement by the President of Mexico, Sr. Echeverria, stressing the importance of trade and commodity agreements to the less developed countries, what

attitude does Canada intend to take toward the important discussions now going on in committee No. 3?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): In my statement at the conference I made it clear that Canada took a very positive attitude toward improving the terms of trade as they affect developing countries in terms of agricultural products. That is the general position. We understand there is a great deal of interest at the conference among the developing nations in the whole question of trade and we look forward to the upcoming GATT trade negotiations as an appropriate and effective forum in which these trade matters can be dealt with. At that forum Canada will, of course, continue to show the positive attitude which was indicated in Rome.

Mr. MacDonald (Egmont): Is it Canada's intention, as apparently was indicated at a private meeting yesterday, to block or filibuster the discussions in committee No. 3 during consideration of the trade proposals put forward by Mexico on behalf of the group of 77? Does Canada still propose to encourage other countries to talk out the proposals so that none of these motions will come to a vote in the committee? Is it true that Canada did move to present a filibuster in committee No. 3?

Mr. MacEachen: No, Mr. Speaker. I was not present at the conference yesterday, but it was not the intention of the Canadian delegation to filibuster or to undertake blocking tactics. We do believe, however, that the proper forum is the GATT and we shall press, through the GATT for these and other benefits to be made available to developing countries.

Mr. MacDonald (Egmont): I do not believe the minister replied to the specific question whether Canada did, in fact, encourage other countries of the developed world yesterday to participate in a filibuster? Is that not true?

Mr. MacEachen: Mr. Speaker, now that the hon. gentleman puts the question in those terms, certainly I can say I have no knowledge of that and I would be tremendously surprised if that did take place. If such did take place, it would be a change in the attitude that we had adopted during the period that I was in Rome. Specifically, I will inquire whether any motion or action was taken that might be remotely interpreted in that light.

WORLD FOOD CONFERENCE IN ROME—REQUEST FOR DETAILS OF CANADA'S COMMITMENTS TO SUPPLY ONE MILLION TONS OF GRAIN PER YEAR

Mr. Jack Murta (Lisgar): A supplementary question, Mr. Speaker. In terms of Canada's pledge of a million tons of grain per year, I believe it is, can the minister of external affairs tell the House whether Canada is prepared at this time to handle and to move that grain to the destinations, and also to see that this one million tons of grain is properly distributed to those countries so there is no waste whatever? Has Canada given this matter broad and thorough thought? Are we prepared to act on this, and when will we start this kind of program?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, as the hon. member

[Mr. MacDonald (Egmont).]

knows, there was a proposal put before the conference by the secretary general of the conference requesting the world community to commit itself for a three-year period, commencing next year, to a total of 10 million metric tons per year in volume terms. Canada responded to this request by undertaking to commit itself to one million tons per year—certainly more than its proportional share—for each of these three years, commencing with the next fiscal year. This involves, as my hon. friend knows, a very substantial increase in financial outlay over any previous year. This particular flow will, of course, begin within the time span indicated.

Mr. Murta: A final supplementary question, Mr. Speaker. I really want to ask the same question I asked originally; the minister seemed to be hedging somewhat. I asked him whether Canada is at the present time physically prepared to handle this grain and to move it out of Canada to other countries. In addition, will we be supervising the distribution of this grain to these other countries, or will the grain be turned over to authorities in the recipient countries who will go ahead and distribute the grain? I should like a little more specific information.

Mr. MacEachen: Mr. Speaker, part of the Canadian commitment at the world food conference was also in response to a recommendation by the secretary general, namely that we would undertake to provide at least 20 per cent of our food aid through multilateral channels. Therefore, 20 per cent of this grain or food aid will be distributed through multilateral channels. The remainder will be distributed on a bilateral basis, and Canada will do its utmost, in co-operation with the recipient countries, to ensure that none of this precious food is wasted.

I should like to get some more information on one point, and that is with respect to the cost of carrying the grain.

WORLD FOOD CONFERENCE IN ROME—CANADIAN ATTITUDE TOWARDS UNITED STATES PROPOSAL TO FORM GROUPS OF FOOD EXPORTING COUNTRIES

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a supplementary question. What is the position of the government of Canada on the proposal of Secretary of State Kissinger for what, in effect, would be a cartel of food exporting countries? Can we be assured that Canada will not be part of any such cartel, and that less developed countries would be represented on any authority which distributed food? My hesitancy in framing the question is due to the discussions that went on, which make it very difficult to put a question.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, there is no intention on the part of the Canadian delegation to support an international cartel. I believe the secretary general of FAO did convene a meeting of food exporting countries which had as its purpose really to monitor and examine the world food situation and world needs at the present time. In so far as any monitoring mechanism as to the existence of supplies and the need of recipients is concerned, then of course we would support that aspect of it, but not in the sense the hon. member has mentioned.

● (1430)

POSSIBLE CANADIAN PARTICIPATION IN DEBATE AT UNITED NATIONS ON THE MIDDLE EAST—CANADIAN POSITION ON RIGHTS OF ISRAEL

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Would he advise the House whether Canada intends to take any part in the debate on the Middle East commencing this week at the United Nations?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, that is a matter I cannot deal with definitively at the moment. I am sure there will be Canadian participation in the debate at some point, but whether it will be this week or later is still open.

Mr. Fraser: Mr. Speaker, would the minister advise the House what position Canada will take during the debate in respect of the rights of the state of Israel?

Mr. MacEachen: Mr. Speaker, I believe that if and when Canada participates in the debate this will give the Canadian spokesman an opportunity to restate Canada's position in respect of the existence of Israel, and its right to exist within secure and recognized boundaries, as the foundation stone of our Canadian policy.

WORLD FOOD CONFERENCE IN ROME—POSSIBLE ESTABLISHMENT OF FOOD STORAGE DEPOTS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is supplementary to a question asked by the hon. member for Fundy-Royal. In view of the fact that some 25 per cent of all food grown in developing countries or provided to them by countries such as Canada is destroyed by rodents prior to reaching the consuming public, were any steps taken at the conference to assure that adequate storage depots will be set up in countries requiring this food and, if so, what plans were made?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, as yet there have been no decisions or formal resolutions adopted because the committees had just begun to operate toward the end of last week. The question of storage, its importance, as well as the question of distribution were raised in a number of statements, but one will have to wait until the actual deliberations of the committees and their results to know whether any internationally agreed program will be developed along these lines.

* * *

ENERGY

SUGGESTED NEGOTIATIONS BETWEEN QUEBEC AND ONTARIO ON SUPPLY OF ELECTRICAL POWER—GOVERNMENT POSITION ON ESTABLISHMENT OF NATIONAL POWER GRID

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, in view of the coal strike in the United States and the trouble Ontario is having at its Pickering nuclear plant and its Nanticoke thermal plant thereby making a very dangerous winter ahead for Ontario in power supply, and in view of the fact that Quebec Hydro is negotiating a deal to sell its surplus electric power to the United States, I should like to ask the Prime Minister if he would ask the Minister of Energy, Mines and Resources to give the same treatment to the provinces of Ontario and Quebec as he has undertaken between the Ontario government and Alberta, bringing these two adjoining provinces together in a mutually acceptable policy on energy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will gladly convey that representation to the minister when he returns.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, in view of the fact that all provinces have asked the federal government at the conference of last March 27 to start work on a national power grid, will the Prime Minister adopt this as a number one priority of his government in order to give us some basic national energy policy so that all Canadians will have first chance at all energy forms in all parts of Canada?

Mr. Trudeau: Mr. Speaker, I believe the Minister of Energy, Mines and Resources commented on this at the time indicating there were very serious technical difficulties which make that grid improbable in the immediate future. The long distances between Manitoba and Ontario particularly are considerations which do not permit us now usefully and economically to set up the kind of grid about which the hon. member talks. This is perhaps something for the future. If I remember correctly the attitude of the minister, this was something that his department was looking at.

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NORTHERN AFFAIRS

CONSULTATIONS WITH NORTHERN RESIDENTS ON EFFECTS OF RESOURCE DEVELOPMENT—POSSIBLE REVIEW OF DRILLING IN BEAUFORT SEA

Mr. Wally Firth (Northwest Territories): Mr. Speaker, in the absence of the Minister of the Environment I should like to direct my question to the Minister of Indian Affairs and Northern Development. In view of a recent report by Mr. Robert Wicklund and his associates which suggests that oil spills in the Arctic are extremely long-lived in their effects, and in view of his suggestion that conditions in many parts of the Arctic environment are sensitive to "even the slightest bit of pollution", I should like to ask whether the government has undertaken any program to set up ongoing consultations on a permanent basis with the northern residents regarding the effect on their lifestyle and culture of resource development which will have an effect on the fragile northern environment?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker, there are several programs taking place, some involving Indian bands and some where consultants are involved, as well as others directly between the various resource industries themselves and the communities being affected.

Mr. Firth: Mr. Speaker, in view of the same report and a number of others recently which underline the fragile nature of the northern environment, does the minister intend to review the present offshore drilling tests which are now being set up in the Beaufort Sea?

Mr. Buchanan: Mr. Speaker, this particular matter is under continuing review. As a matter of fact, I was there myself in the last three or four weeks and had meetings with people of Inuvik and nearby communities. This is a subject of ongoing review with the people involved.

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FOOD PRICES

RECOMMENDATION OF FOOD PRICES REVIEW BOARD CONCERNING FOOD PRICES IN NEWFOUNDLAND—GOVERNMENT ACTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the Minister of Regional Economic Expansion, in his capacity as Acting Minister of Transport, what action if any the government proposes to take on the recommendations contained in the Food Prices Review Board's special study on food prices in Newfoundland?

Hon. Donald C. Jamieson (Acting Minister of Transport): As the hon. member knows, Mr. Speaker, the report was received only in the latter part of last week. I had the opportunity of being briefed on certain sections of it yesterday but I think it would be premature to make any declaration of intent at this time, other than to say it will receive serious consideration.

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EXTERNAL AFFAIRS

CONFINEMENT OF VALENTYN MOROZ BY RUSSIANS—GOVERNMENT ACTION TO DETERMINE HEALTH CONDITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, a few weeks ago I directed a question to the Secretary of State for External Affairs concerning Valentyn Moroz. The minister replied that he had spoken to Mr. Gromyko who had assured him that as far as he was concerned, with the knowledge he had, Mr. Moroz was receiving fair treatment and was in the hospital. In the last three or four days, with indomitable spirit, Mr. Sakharov, a world famous physicist, who was in touch with representatives of the Toronto *Star,* spoke out when he was asked about the condition of Moroz saying he was in solitary confinement, was hemorrhaging to such an extent that his life will be immeasurably shortened, because of bleeding as a result of his being forced fed. In view of Mr. Sakharov's statement, and it takes courage to express the views he has, I should like to ask the minister what the government is going to do concerning this man?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): As the right hon. gentleman stated, Mr. Speaker, this matter concerning Mr. Moroz's health was raised by me with the Soviet foreign minister on September 25. I think it is worthwhile repeating the information that was conveyed by Mr. Gromyko, to the effect that Mr. Moroz's health was satisfactory in all respects. Tests had been taken, Mr. Gromyko stated, of his heartbeat, blood and so on, and all were normal. He added that Mr. Moroz was under permanent medical observation, that at present he had no complaint concerning his health. Mr. Gromyko also added that Mr. Moroz took exercise regularly.

● (1440)

Now, may I say to the right hon. gentleman that since that time I have noticed, as he has, reports to the effect that Mr. Moroz's health is deteriorating, and that has caused me considerable concern. I have asked that the matter be raised with the Soviet authorities and that an updating on the reports which had been given by Mr. Gromyko be sought. I intend to pursue that further.

Mr. Diefenbaker: Time is somewhat of the essence. Since September this man has apparently lost a great deal of weight; he is virtually physically impotent. The offhand way in which the minister answers this question, by saying that they are just going to ask for a further report, is too pusillanimous for a situation such as this. I ask him whether he will inquire if the Canadian embassy in Moscow has the right to see this man, because anything short of that is far removed from the kind of treatment that any person should receive for no offence other than that he had spoken his mind, as the constitution of the U.S.S.R. permits him to do, a right also assured to people in various states by membership of the U.S.S.R. in the United Nations. Surely the time has come to stop pussyfooting and speak out. Will the minister not give that assurance?

Mr. MacEachen: I can give the assurance that the Canadian government has taken this matter very seriously.

Mr. Diefenbaker: I can see that.

Mr. MacEachen: The health of Mr. Moroz has been raised by the Prime Minister with Mr. Kosygin, by my predecessor with Mr. Gromyko, and by myself just recently. We intend to continue that effort on a humanitarian basis. The right hon. gentleman knows that there is a limit to the influence and effectiveness that one can have on the present situation. It may be that the course of action which the right hon. gentleman recommends, which may catch the headlines, may have a very unfortunate effect in reaching the objective that we both have in mind.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: If there is one thing that the minister and other members of this government abhor, it is the headlines. We have seen evidence of that in the last 24 hours. I ask the minister: why is no action taken, why does he not speak up? Why is he so silent? Why will the Prime Minister, with all his courage, not speak up with the authority he has?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): As the Secretary of State for External Affairs indicated, I raised this very point with the highest possible authority in the Soviet Union, and I am sure it had more effect than this public enunciation with which the right hon. member is trying to catch the headlines.

Mr. Diefenbaker: An observation like that deserves a reply. Yesterday the Prime Minister showed what he thought concerning publicity, and it was completely out of keeping with the sacrifice of Canadians.

Mr. Speaker: Order, please.

CONFINEMENT OF VALENTYN MOROZ BY RUSSIANS—RESPONSE TO APPEAL OF MRS. MOROZ

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a supplementary question which I should like to direct to the Prime Minister. In view of the fact that Mrs. Valentyn Moroz has directed a personal appeal to the Prime Minister on behalf of her husband, can the Prime Minister say whether he has replied to that appeal?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would like to know to what particular appeal the hon. member is referring; is this recent correspondence?

Mr. Knowles (Winnipeg North Centre): Is the Prime Minister not aware of the fact that Mrs. Moroz has made a public appeal to the Prime Minister, to the President of the United States, to the Prime Minister of Great Britain, and to the Chancellor of West Germany, hoping for a response from each of these four world leaders?

Mr. Trudeau: No, I was not aware of this public appeal. I am generally informed of appeals which are addressed to me in particular. But obviously, as I said in my previous reply, I anticipated this and I had already made the representation.

* * *

[*Translation*]

AIRPORTS

ST. SCHOLASTIQUE—MEETING WITH MINISTER OF PARTIES EXPROPRIATED

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Minister of Public Works.

Last week, following a question which I asked him about the expropriated parties in St. Scholastique, the minister answered that there would be a meeting Friday last. Now, can the minister tell us what are its results and whether he has reached an agreement with the representatives of the expropriated parties? If not, will there be another meeting and when?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, at the meeting last Friday, I promised to ask the advice of our very competent lawyer in Montreal concerning the complaints of the expropriated parties and afterwards will be considering holding another meeting at a future date.

Mr. Caouette (Témiscamingue): Mr. Speaker, I have a supplementary.

In view of the fact that before the election of July 8, the parties expropriated in St. Scholastique were promised that a conciliation and consultation committee would be established and that it was not done afterwards, does the minister think that such a committee should be formed immediately to examine the cases under dispute?

Mr. Drury: Mr. Speaker, I regret that the hon. member is not well informed. The committee has been established; they had sittings for several weeks and they put forward a report. It is about the implementation of this report that people are now complaining.

* * *

[*English*]

FINANCE

POSSIBLE REIMBURSEMENT OF HOLDERS OF 1936 PERPETUAL SAVINGS BONDS—GOVERNMENT ACTION

Mr. Elmer M. MacKay (Central Nova): My question is for the Minister of Finance and it concerns his progress in devising a way to protect or reimburse the holders of the 1936 perpetual issue of Canadian savings bonds. As the minister knows, this issue, which was a $50 million issue when the dollar was a dollar in 1936, is now worth approximately one third of its market value and in terms of its purchasing power is only worth $9 of the 1936 dollar value. Could he report to the House and to the country whether he has yet devised a way to reimburse the original holders or somehow protect them in this respect?

Hon. John N. Turner (Minister of Finance): This is a very awkward problem. As the hon. gentleman knows, I have met with several members of the House from all parties. We are still caught with the conundrum of what to do with the registered as opposed to bearer bonds and how to be fair to those who have already cashed them in as opposed to those who have bonds the market price of which would be beneficially affected if we were to do something prior to the redemption.

Mr. MacKay: Would the minister consider either putting a definite term on these bonds or redeeming them from the original holders so that there could be no chance of any undue speculative profits, or would he consider substituting some other issue which would be more appropriate to today's capital market features than the one that is so obviously out of date and is such a blot on this country's financial record?

Mr. Turner (Ottawa-Carleton): I will certainly consider those as additional options.

POSSIBLE ALTERATION OF EQUALIZATION FORMULA—CONSULTATION WITH PROVINCES—GOVERNMENT POSITION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Finance. Last week the

minister made a statement in Halifax to the effect that the equalization formula as to revenues between the provinces and the federal government would have to be altered. Has there been any consultation with the provinces as to this alteration and, if not, has any been contemplated or is this going to be something that will be imposed upon the provinces willy nilly and with the usual degree of consultation announced the night before?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not accept the preamble of the hon. gentleman. Obviously, there is some pressure on the equalization formula because of the remarkable increase in revenues from oil and gas to the producing provinces. But I have said to the provinces which are affected by equalization that we want to review this. We will be presenting some options to them in some form in time for them to be thoroughly discussed by the provincial ministers of finance and myself at our meetings on December 9 and 10.

* * *

● (1450)

HEALTH

NUTRITIONAL STUDY OF NATIVE PEOPLE—DATE OF PUBLICATION OF REPORT—GOVERNMENT ACTION TO OVERCOME PROTEIN DEFICIENCY

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of National Health and Welfare and relates to the Nutrition Canada National Survey Report issued a year ago which showed in its preliminary findings a high incidence of nutritional deficiency among native people. Can the minister say when the special nutrition report for Indians and Eskimos promised for last spring, will be released?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I can assure the hon. member they will be released as soon as possible. I announced last spring that I expected the reports to be completed and available this fall. I understand there has been some problem with translation but it is my hope that the reports will be available before the end of the year or very early next year. I understand it is a matter of production. I would add that they have not been made available to me yet.

Miss MacDonald (Kingston and the Islands): A supplementary question, Mr. Speaker. In view of the fact that a year has passed since the government has had in its possession information which shows significant protein and vitamin deficiencies among native people, can the minister tell the House if a special program has been implemented to come to grips with this general problem? Secondly, have specific nutritional measures been taken to deal with the emergency situation in the Grassy Narrows and White Dog reserves where protein deficiency was emphasized by both the special task force on mercury pollution and the Nutrition Canada report?

Mr. Lalonde: Mr. Speaker, as far as the first aspect of the question is concerned, I do not think there have been specific measures taken in regard to the Indian and Eskimo population in particular, but proposed regulations have been put forward and made public a few weeks ago aiming at the enrichment of food generally for Canadians. These would obviously cover Indians and Eskimos.

As far as the second part of the question is concerned, this matter was raised in the House last week and it has been discussed with the Department of Indian Affairs and Northern Development and the provincial governments who have been carrying the main load in this respect.

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RESEARCH

AGENCIES THROUGH WHICH INCREASED FUNDS GIVEN TO INDUSTRY—GOVERNMENT POSITION ON CONTRACTING OUT

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I should like to put a question to the Minister of State for Science and Technology. A week ago today in answer to a question put by the hon. member for Winnipeg North respecting National Research Council grants, the minister replied that one of the reasons for the decrease in NRC grants was the government policy to encourage research and development in industry. In view of the fact that funds for such programs as IRDIA and PAIT have been decreasing over the last years, could the minister indicate through what programs or agencies this enhanced support for industrial research and development is taking place?

Hon. C. M. Drury (Minister of State for Science and Technology): Mr. Speaker, I think I should like to correct the misapprehension that NRC grants have been cut in recent years. Indeed, that have been rising year by year but not at a rate which corresponds to other increases in expenditures. Similarly, in the case of the PAIT and IRDIA programs, they have also been increasing in levels of expenditure as distinct from the setting of targets or objectives. The actual expenditures as shown in the public accounts will indicate a continuing rise, I think. An element of this incentives program on which we are currently placing much heavier reliance, however, is the increasing research contracting done by government departments rather than doing the research themselves.

Mr. Andre (Calgary Centre): A supplementary question, Mr. Speaker. In view of the fact that in terms of real dollars, with the inflation removed, the support of industrial research and development through IRDIA and PAIT have been going down, and in view of the recently released Statistics Canada data that the contracting out program is not fulfilling expectations in that the percentage of research and development for contracting out to industry has not been rising, can the minister indicate what steps he has taken in his new portfolio to ensure that government policy will be implemented sometime in the reasonably near future and if not, is he going to retract the statement that this is government policy?

Mr. Drury: Mr. Speaker, at the moment I have no specific changes to suggest. We are still in the process of reviewing what is going slowly, and why.

CANADIAN BROADCASTING CORPORATION

REASON FOR REJECTION OF PROGRAM "KGB" BUT SHOWING OF PROGRAM "THE FIFTH ESTATE"

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Secretary of State. I gave him admittedly rather casual notice of this question last week. In view of the fact that the mandate of the CBC is to give balanced programming, could the minister tell the House under what circumstances the CBC was offered the BBC production "KGB" and rejected it in view of the fact it was able to produce and show a program called "The Fifth Estate" which alleges certain things against the National Research Council as a CIA front?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I will have to get information on that for the hon. member.

REASON FOR NOT SHOWING DOCUMENTARY "KHRUSHCHEV REMEMBERS"—POSSIBILITY OF INTERFERENCE WITH PROGRAMMING

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, a supplementary question addressed to the Prime Minister. Was the Prime Minister or any one in his office directly approached by the Ambassador of the U.S.S.R. with a request that the CBC not show the documentary "Khrushchev Remembers" even though it had been advertised to be shown on a weekend? Did the Prime Minister or any one in his office intercede with the CBC to ensure that the documentary was not shown—

Mr. Speaker: Order, please. In fairness, a supplementary either is or is not a supplementary. The hon. member started with a question to the hon. Secretary of State about a matter concerning a choice between programs of the BBC and another. Having got an answer from the hon. Secretary of State that he would be seeking information about that and report at a later date, it seems a little unfair to allow a supplementary to another minister on a totally unrelated question, although it involves the CBC. This is the only connection between the two.

Mr. Nowlan: Mr. Speaker, a point of order. I am one of those members who has been rather exhilarated by the fact that the question period has not been taken up with points of order and questions or privilege and you have been rather expeditious, with respect. The essence and the gist of the question is not the calibre of a program on one day or the other, but it is the potential influence and interference in CBC programming. This is the issue in my question. I think there is a very logical connection between the two, Your Honour. I completely accept, as obviously I have to, the answer of the Secretary of State but my supplementary is directed on an entirely different matter but still potentially is concerned with CBC interference.

Mr. Speaker: Order, please. What I have been endeavouring to point out to the hon. member is what I have pointed out on earlier occasions, that when a minister is compelled in the circumstances to give the answer that the hon. Secretary of State has given, which is that he has to seek information on a question and will bring it back to the House at a later time, I presume in fairness, in order to allow the matter to be properly followed up the hon. member will want to pursue that subject with supplementary questions when the hon. Secretary of State does come back with the information. Under those circumstances, I think that, in fairness, the hon. member ought to hold his supplementaries until his first question is answered by the Secretary of State.

The hon. member for Grenville-Carleton.

Mr. Nowlan: Mr. Speaker, with respect, a point of order—

Some hon. Members: Shame!

Mr. Trudeau: Listen to the Speaker.

Mr. Nowlan: Mr. Speaker, I do not want to be unduly provoked by any sounds from the front benches. If the sounds made sense then perhaps I could be provoked. Surely, Mr. Speaker, if the thrust of the question has to do with a general topic, the detail of the question is not going to preclude a supplementary. Sometimes the supplementary is the real kicker! In this case, Mr. Speaker, the only reason that the question is raised is that the fifty-seventh anniversary of the founding of the Soviet Union last week actually activates this situation with "Krushchev Remembers"—

Mr. Speaker: Order, please. Perhaps under those circumstances it would have been a good idea for the hon. member to have started with that question in the first place as that was more important. The hon. member for Grenville-Carleton.

* * *

THE BUDGET

SUGGESTED RELEASE OF TEXT OF SPEECH AT TIME OF DELIVERY IN HOUSE

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is for the Minister of Finance. Is his department giving any consideration to permitting the distribution of the text of the budget speech simultaneously with the beginning of its delivery in the House this year? If that is not contemplated could it be considered in order to assist hon. members on both sides of the House?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will take that under advisement.

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CANADIAN BROADCASTING CORPORATION

DOCUMENTARY PROGRAM "KHRUSHCHEV REMEMBERS"—INQUIRY AS TO REPRESENTATIONS BY AMBASSADOR OF U.S.S.R.

Mr. Erik Nielsen (Yukon): Mr. Speaker, my question is directed to the Prime Minister. Has anyone on behalf of the Ambassador for the Soviet Union made any request to

his office or any other government office that the program "Khrushchev Remembers" not be aired on the CBC?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have received no such representation. I will inquire if any have been made to people in my office and I ask ministers now to let me know if any have been made to them in their capacity as ministers.

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● (1500)

SPORTS

GOVERNMENT POSITION ON WORLD FOOTBALL LEAGUE—ACTION TO PROTECT CANADIAN FOOTBALL LEAGUE

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Minister of National Health and Welfare. As the CFL seems to be turning its back on the minister, who even acted as father protector of the league, by not following up on its expansion program and by suggesting its willingness to consider a merger with the WFL, is the minister prepared to reconsider the stand he took on Bill C-22 in the last parliament, in view of actions the WFL may once again take to play in Canadian cities or, indeed, to merge with the CFL.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, this is a subject on which the House expressed itself last year. The House voted on it, although the bill was not passed finally. Before introducing the same bill, a similar bill or a different bill, I will have to discuss the matter with my colleagues and members of my party.

Mr. Jelinek: A supplementary question, Mr. Speaker. Owing to the continuing deterioration in the quality of CFL teams and the resulting 6 per cent decline in attendance last season, partly as a result of WFL raiding, that league not being allowed to play in Toronto—

Some hon. Members: Oh, oh!

Mr. Jelinek: —will the minister, as a concerned guardian of Canadian football, advise the House of the steps he intends to take to protect the CFL from further deterioration and prevent the possible phasing out of the Canadian Football League.

Mr. Lalonde: Mr. Speaker, obviously, such steps would be announced in due course.

* * *

NATIONAL DEFENCE

DENIAL TO WOMEN OF THE RIGHT TO PILOT TRAINING IN ARMED FORCES—GOVERNMENT ACTION

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question was to be addressed to the Minister of National Defence. In his absence may I address it to the hon. member for Renfrew North-Nipissing East. As the government demonstrated its interest and concern in the status of women by a recent allocation exceeding $1 million, for promoting the status of women in Canada, and as, during World War II, women pilots ferried aircraft from Canada to England, will the minister explain why now, in a period of relative peace, at least in Canada, women are denied the right by the Department of National Defence to join the Canadian Armed Forces and take pilot training.

[Mr. Nielsen.]

Mr. Leonard Hopkins (Parliamentary Secretary to the Minister of National Defence): Mr. Speaker, as the hon. member knows, the girls are now going to be allowed to join the cadet corps. However, I will take his original question as notice.

Mr. Brisco: A supplementary question, Mr. Speaker. With all due respect to the Parliamentary Secretary to the Minister of National Defence, this member does not know about girls taking pilot training. I would ask the minister or the parliamentary secretary when this became policy?

Mr. Hopkins: With all due respect to the hon. member, I think he misunderstood my remarks. I meant that in the bill presently before parliament, girls are to be officially recognized in the cadet corps.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. When the Prime Minister put a question to me concerning the letter from Mrs. Valentyn Moroz to which I had referred, I said it was a letter addressed to four world leaders. On checking my notes, I see that it was addressed to only three world leaders, namely, to the President of the United States, the Chancellor of West Germany and the Prime Minister of Canada.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I did not say that to put the Prime Minister a notch higher. However, if he did not receive the letter, I will send him the material I have.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—REQUEST FOR IMMEDIATE GOVERNMENT ACTION TO COMBAT ORGANIZED CRIME

Mr. Claude Wagner (Saint-Hyacinthe) moved:

That this House, noting that international and interprovincial crime rings are operating out of control in the drug trade in British Columbia, the loan shark business in Ontario and in mafia-type conspiracies in Quebec, urges the government to act immediately—directly and through aid to the provinces—to protect the public and to bring these criminals to justice.

He said: Mr. Speaker, over the weekend, television viewers throughout the country saw on the national network the film "The Godfather" which broke all records of attendance and box office receipts for film producers.

That this telecast should have preceded by a few hours the debate we are holding today is a coincidence both happy and disquieting. Happy, because it draws the attention of the people to a truly current problem which has always threatened and still threatens the maintenance of law and order in a democratic society. Disquieting, because the idealized and romanticized screenplay and the performance of the protagonists in this violent and sophisticated game underlined what we already know: One gets used to everything, even the loathsome.

We get used to evil, we get used to the horrors of war and death, we get used to inflation, cataclysms, labour disputes, crime; there comes a time when, far from disturbing us, the remembrance of those calamities does not even stir up a defence reflex, a time when we even allow ourselves to be seduced. And so it is with organized crime. That is why, Mr. Speaker, it is urgent that we discuss it, and even more urgent that we act.

● (1510)

This is what I wanted to say and this is why I accepted to sponsor this debate, not that I want to blame the government, no but to wake them up, not that I want to pass judgment on them, no but to urge them to be more vigilant, to better co-ordinate their activities with those of the other levels of government and particularly to suggest that they establish a true national policy bent on fighting organized crime.

I would like this government to be more severe in handling what I would call antibiotics designed to reinforce the lymphatic system of our society which is becoming increasingly powerless to react.

Mr. Speaker, I say these things because, even though this might be a paradox, to pass judgment on organized crime, is tantamount to passing judgment on the kindliness of the good and honest elements of our society.

It is not the existence of a parallel power, a swarming and shifty power operating outside the law, which should surprise and concern us, it is rather the apparent ease with which it can operate and the calmness of our attitude towards these activities the importance of which we refuse to acknowledge. Let me use the following comparison to better describe the situation, Mr. Speaker: organized crime is like inflation.

Both are developing, running wild and playing havoc with everything because of the international context, with the support of unscrupulous go-betweens and swindlers, motivated only by profit, insensitive to the human sufferings they cause, and with the tacit complicity of politicians, who are afraid of taking any drastic action and control arguing that politics is always the art of the possible, but not more. Finally, both inflation and organized crime lead implacably to social disorder which imperil individual aspirations, rights and basic liberties of citizens by hitting the weakest first upsetting the economy of a country to such a point that, sooner or later, chaos results.

Even though this is not a problem which can be blamed upon any one government is particular, it may have political implications, if our leaders are not determined to put a stop to it.

Let us go back to the past a little.

Periodically, I would say sporadically, society has bursts of goodwill and rebels, but very soon falls back into a reprehensible apathy.

In America, at the end of the 19th century, the people were getting uneasy about the activities of organized crime and some action was taken. All of a sudden this enthousiasm cooled off with the murder of two police officers of New Orleans and New York. Then followed a ten-year period of inaction.

In the twenties, prosecutions by the United States Treasury Department put an end to the prohibition era and resulted in the conviction of a well-known Chicago figure, Al Capone. Then followed a ten-year period of inaction.

In the thirties, New York prosecutor Thomas Dewey took a series of proceedings to dismantle the well- established organization of the crime syndicate leader Lucky Luciano.

Then there was another ten-year period of inaction.

In the forties, the FBI inquired into underground organizations specializing in blackmail and criminal abetting in the movie industry, and managed to break up organized crime. The sensational arrests made at the time are still in our memories. Then, Mr. Speaker, there was another ten-year period of inaction.

After the war, the people did not show any particular interest in the proliferation of underworld activities until 1950, with the inquiry of the Senate Kefauver Committee, and 1957, when the McClennan inquiry was launched after the Appalachian meeting. We then had to wait until July 23, 1965, when the Katzenbach Committee was set up to report objectively and fully to President Johnson.

At that time, Mr. Speaker, if you will allow me a personal remark, I was minister of justice in Quebec, and at a meeting in Washington with Attorney General Katzenbach and FBI authorities, we exchanged data and information in order to intensify our fight in Quebec against the most varied criminal activities, especially, it will be remembered, in the field of fraudulent bankruptcies and criminal arson, a very popular activity at the time, when our prosecutions turned out to be so timely that several witnesses were silenced, liquidated and buried in quicklime. Ten years later, organized crime is still a topic of discussion in this House.

Meanwhile, we have to admit that commendable efforts have been made. The administration of justice in Quebec was drastically changed as a result of the shrewd and realistic work and recommendations of the Prévost inquiry. That fact is worth mentioning in this House.

I should also like to congratulate Mr. Justice Réal Brunet and his fellow commissioners of the Quebec Police Commission, on their courage in conducting the present investigation and their remarkable patience in dealing with the many obstacles that stand in their way. I also wish to mention Mr. Justice Cliche and his colleagues and the inquiry that is going on concerning violence in the construction industry, investigation whose conclusions, at the rhythm that disclosures are being made, will probably tie in with those of the inquiry commission on organized crime.

Mr. Speaker, today we realize that the scourge of organized crime is not a film, but reality, that it is not an invention of a Crown prosecutor or police looking for promotions or publicity, but a real cancer which is daily gnawing at society.

What is this disease and what are its manifestations here and elsewhere? Mr. Speaker, if we in Quebec are different from our neighbours culturally, constitutionally and linguistically, I can assure you that in the criminal activity sector we are not only different from others but we even managed to excel where others have failed and many is the time we have surpassed them. Allow me to recall what the present Quebec minister of justice said in his white paper on police and the security of citizens and I quote:

It can be positively and unquestionably stated that there is more crime committed today in Quebec than there was 10 or 20 years ago. In fact, Quebec can be numbered among the most criminogenic areas in Canada. As it now stands, Quebec is second among the provinces of Canada for the rate of crime-indexes, just behind British Columbia.

However, Mr. Speaker, I must add, that the Quebec Minister of Justice then added the following sentence, and I quote:

However, when compared with the United States, Quebec is a relatively quiet place.

● (1520)

That was indeed, Mr. Speaker, a real comfort.

I do not know a better definition of organized crime than the one contained in the Katzenback commission report entitled: Task Force Report: Organized Crime. I quote:

Organized crime is a society that is endeavouring to operate outside the control of citizens and their government. Its action is not improvised but is the result of very complex conspiracies hatched up during a number of years and intended to insure control over a complete field of activities in order to pile up as much profit as possible. Organized crime uses most of its energy to supply unlawful goods and services: games, usurious loans, narcotics and other forms of vice. It is also deeply rooted in lawful businesses and labour unions.

Therefore, applying this definition to the spheres of activities known in Quebec, we can add that organized crime has appeared at home as elsewhere and is still appearing: first, in the area of gambling in all its shapes and forms, second, loan sharking, third, drug trafficking, fourth, prostitution, fifth, criminal infiltration of the business community and, sixth, frauds, fraudulent bankruptcies and arson.

Since we must render to Caesar the things that are Caesar's, let me emphasize to you, Mr. Speaker, that the Quebec Minister of Justice has claimed that, as regards fraudulent bankruptcies and arson, thanks to the great many proceedings instituted in the past and the improved means of control now in operation, this type of criminal activity is abating because of the incarceration of a number of the mobsters involved in 1964, 1965 and 1966. When we realize the extent of the ravages caused by organized crime in our country, we must consider deep-rooted solutions. It is not enough to sound the alarm and, in a state of panic, go to other extreme, namely, make use of illegal methods to combat crime and suspend the fundamental liberties of citizens. In my opinion, the end never justifies the means. Therefore, we have to investigate to find out the causes of the crime spread in our country instead of merely considering the effects, however dramatic they may be. Such a finding, Mr. Speaker, logically leads us to examine the government behaviour towards the essential needs of the citizens and the environment where they must live. The services which are the trading goods of organized crime would not remain the exclusive field of the underworld, if the government could meet the justified expectations of the community.

When we consider, for example, that the loan shark business in Montreal alone brings in $300 million a year and enslaves about 60 per cent of taxi drivers, should we not in all fairness, ask ourselves the following question: If funds were legally available and terms were less burdensome, would the main activity of the underworld not be seriously affected?

The most decisive action against crime, especially organized crime, which is a consequence of its extension and its increase should really be taken at social and national levels.

It would entail, for example, tearing down slums and replacing them with livable dwellings. It is, for instance, to facilitate the access to instruction and education for more and more citizens. It is to create jobs or foster their creation, instead of promoting idleness at the state's expense. It is to shrewdly suppress economic and social inequalities. it is to fight against discrimination in all its guises. It is to dare take the mask off those who are ripping off the people when it comes to rising food prices.

For a government, it is to fully assume its responsibility as regards employment in the building industry instead of resorting to a Machiavellian bargaining to buy peace.

It is making sure, Mr. speaker, that justice is for all, giving everyone the opportunity to develop more freely in a society in which democracy will not be an empty word. it is illusory to think that we can get rid of organized crime, that we can only claim to diminish its influence, if we cannot previously change the context from which that crime derives all its vigour and its impulse.

To speak of control over crime in terms of police, social workers, courts, exemplary sentences, imprisonment, and even death penalty, is to refuse to recognize the extent of the resignation, and I would even say the failure of society in that field.

[*English*]

Mr. Speaker, often, when speaking about organized crime, politicians begin to sound like doctors treating someone with a terminal illness. We begin to speak of our success or failure in treating the symptoms, in making society more comfortable, without coming face to face with the cause and substance of the illness itself.

Let me be frank. One need be neither a magistrate nor a sociologist to know quite clearly that certain socio-economic conditions, certain environments, produce the types of individuals upon whom organized crime thrives, individuals who are prone to become the drones and slaves of the large syndicates, carrying out the extortion, smuggling, intimidation and murder that keep their superiors secure through the use of fear and brute force. We know it is initially among the disadvantaged, the economically

deprived and the misguided that organized crime gets its foothold and builds its foundation.

It is in my view, a sad commentary on our society and our concern for order and justice that we consistently seek to pursue organized crime, only through inquiries which seek, often in vain, to establish criminal behaviour and develop a case for the Crown against a person or persons. Surely it is time we moved one step further in order to come a little closer to the causes of organized crime itself and to identify the social problems which spawn generation after generation of organized criminal activity.

While the Crown obviously has a continuing responsibility to ensure that organized criminal activity is placed under relentless pressure from law enforcement agencies at all levels, surely we who legislate and shape the very laws that the Crown must enforce have a continuing responsibility to seek ways and means to reduce the conditions which spawn the criminality against which our laws are supposed to stand. For example, our urban areas are prone to the influence of organized crime because, whether we like it or not, organized crime fills a void created by social neglect, corrupt administration in some cases, and a frequent lack or failure in moral leadership. In many respects, our penal institutions become the junior colleges for organized crime, training those who are first offenders to embrace more extensive and developed commitments to criminal activity.

If crime as it is perpetrated in organized or disorganized fashion is the disease, if society in its frailty and vulnerability is the patient, then government must assume the role not only of the physician administering to the symptoms but of a general practitioner prepared to practice preventive medicine. There are those, I know, who will say that even if all poverty is erased, if you bring prosperity to all, if you grant equality of opportunity to all, there will still be a criminal element eager to make a fast buck through illegal means. But, Mr. Speaker, that is not the point. The point is that if there is less poverty, if there is less disparity within a community between those who have and those who have not, if there is more equity, if there is more social justice, there will be less crime.

● (1530)

Often, in discharging those duties that related to my years on the bench, I was impressed by one of the most basic frustrations plaguing our legal system and its ability to serve both as a source of justice and a deterrent to crime. I became aware, not without some very personal anguish, that principles of justice, concepts of right and wrong, can rarely be explained to someone who has only experienced injustice and who has never known the value of choosing right over wrong. We have to face up to the fact that for too many Canadians our system is an economic prison wherein daily indignities and injustices of a social and personal nature are the only tangible messengers of our way of life.

For many, this prison is made more dreadful by a tide of rising expectations which they can, in reality, have no hope of ever attaining. Rebuffed in their search for work, humiliated at the supermarket, restrained in their efforts for growth and self-realization, the poor and disadvantaged could very well think that our system is in itself an organized conspiracy which, as far as they are concerned, perpetrated criminal actions upon them. As a judge, I saw these people in my courtroom daily and I knew that criminal activity may have been their only outlet, their only way of saving some self-respect. Yet I knew, too, that prosecution must continue to be the front line response to all criminal activity. It is, after all, a basic line of defence for social order and balance. But that does not stop me or hundreds of others from asking whether, indeed, we have placed all our commitment in this area of balance and order purely on the enforcement side, and whether the time has not come for an equal and concurrent commitment on the side of social justice and preventive law.

Mr. Speaker, the basic principle of physics, that every reaction originated from an original action of equal intensity and strength, might have some application here, at least to help us understand the human side. We respond to the criminal with imprisonment and penalty. Do we ever ask ourselves what it is the criminal is responding to in committing the crime? Have we really been prepared to ask this question institutionally, in our governments and courts? I submit that in real terms we have not. Frankly, criminals and prison reform have never been the stuff of partisan political gain except when everyone is only too pleased to call for tougher laws or tighter prisons.

The opportunity we have today to deal with the effects of organized crime should not be allowed to exclude a more in-depth analysis of the deeper causes, both social and political, of organized crime. In my view there is a need for renewed federal-provincial interest in organized crime as something beyond the operative level of police co-operation and information-sharing. There is now a clear and present need for a program of political activity aimed at a joint attack on the conditions that cause organized crime. The inquiries into labour racketeering now being carried on in Quebec are only a beginning.

We must be prepared to look at the structure of municipal, provincial and federal government to seek out those areas wherein organized crime can gain or purchase influence. We must look at the awarding of contracts, the financial support offered politicians, all the areas that politicians prefer not to discuss. Organized crime grows when there are conditions that encourage its growth. We must examine these conditions. We must do so carefully. We must do so methodically.

Mr. Speaker, it is fashionable to make fun of royal commissions and their often meandering and lack-lustre use of time and resources in the pursuit of recommendations that are often vague and inconclusive. In the matter of organized crime, I wonder whether, rather than the creation of some new inquiry that can only really examine the superficial actions committed at the lowest echelons of syndicated criminal activity, this parliament might not consider a royal commission into the causes of organized crime, a commission that would concentrate on the social and economic conditions that breed organized crime and provide the atmosphere and sense of despair upon which organized crime depends.

The commission should, most properly, have both federal and provincial participation and seek to examine the conditions of social and economic environment that breed criminal activity; the relationship between organized

crime and government at all levels; the improvement of specific areas of social and welfare legislation that would contribute to a lessening of the crime rate; the susceptibility of national, provincial and municipal police forces to infiltration by organized crime; organized crime and political influence; the role of our penal institutions in encouraging and abetting organized crime; the relationship between organized crime and labour, industry, immigration and government.

We need a royal commission because we need an ongoing commitment to a thorough examination of organized crime in its national and international context, with a view not simply to prosecution before the courts but to political action in the parliament and legislatures of Canada. We need more than a commitment to rise every few months and denounce organized crime as evil and hateful. We need a commitment to do what can, and must, be done politically to restrict the horizons of organized crime and protect our society against its growth and power.

We can begin to discharge that commitment by being first committed to finding out about the fears and vacuums in our social and economic fabric that give the bacteria of organized crime a place to grow. It is that type of commitment, to find out, that this parliament would now do well to consider.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I should first like to congratulate the mover and the seconder of the motion now under debate in the House. I think the motion is timely. The problem is one about which the great mass of the Canadian people is becoming increasingly concerned, and with great justification. I should also like to congratulate the hon. member for Saint-Hyacinthe (Mr. Wagner) for what I think is a very reasoned and progressive approach to this problem. The kind of speech we have just heard is one that all of us would do well to read again; it contains an element of philosophy with which I would say many in our party would agree. Certainly, the recommendation he makes of a royal commission to study this very serious situation is one with which we agree. This is an insidious problem which continues to grow, and I think by attracting a great deal of public attention to it, and scrutiny through a royal commission studying this serious matter, we might do much to attack the problem of organized crime in this country.

● (1540)

I should like, as a member from British Columbia, to deal with the important crime aspect of this problem. One of the unenviable characteristics of the lower mainland of British Columbia is that it now leads the country in crime statistics. There are many benefits of living in British Columbia, but this is not one of them. We have to examine carefully the reason for this situation. One does not have to look far to find it. Seventy per cent of organized crime in British Columbia is related directly to the drug trade in the province. It has now reached the point in British Columbia where it is of epidemic proportions, and it will become an epidemic in the country unless we have from this government a massive and positive approach to the problem.

[Mr. Wagner.]

We cannot say that this is a serious problem without considering some of the statistics involved. Recently, a co-ordinated law enforcement unit was set up in British Columbia. It was a unit specially organized to detect and prosecute organized crime, zeroing in on the drug trade. The government of British Columbia deserves some credit for setting up this unit, which recently issued a report outlining some very interesting statistics. I should like to quote from its report as follows:

> It has been conservatively estimated that there are 10,000 heroin addicts (in B.C.), or two-thirds of the national estimated figure of 15,000.

I might say that the report went on to say that the unit believed its figures were conservative. The report continued:

> The city of Vancouver alone is believed to have in excess of 6,500 addicts who require approximately $455,000 each day to support their habits.

To emphasize that point, I would repeat that it requires half a million dollars a day to support this insidious trade in drugs. The report then states:

> This estimate is based on the average daily use of two capsules of heroin per addict at $35 per capsule.

Later in the report it is stated:

> Coupled with this increase in heroin addiction is a rise in the incidence of violent crimes, which more than doubled in the period from 1962 to 1971 and again increased in 1972.
>
> In Vancouver, it is estimated that up to 70 per cent of all serious crimes are drug-related.
>
> In the years 1969 to 1973, 30 of the murders in the lower mainland are known to have been drug-related, and in the years 1971 to 1973 seven attempted murders were similarly categorized.

The annual cost of the drug trade in British Columbia is estimated by this unit to be $255.5 million. It comes after tourism as the second largest industry in British Columbia. The matter is out of control, and the government should again look at it in terms of its approach and the amount of attention it gives to this problem. There are incidents in our province of 12-year old school children being addicted to heroin, and the problem is reaching the elementary school level. Another fact of interest is that the Vancouver coroner reported recently that there were 1,000 drug-related deaths in British Columbia in the past three years. Under the present system, as many as 50 per cent of our prisoners in maximum security institutions are there because of drug-related crimes. I do not think those who say that the answer to this problem is to increase the penalty in respect of drug trafficking and drug addiction have read the Narcotic Control Act or considered the penalties presently provided. First of all, the maximum penalty for trafficking in heroin is life imprisonment, and the penalty for simple possession of heroin is a maximum of seven years. Unless we are going to bring back capital punishment in respect of trafficking, the penalties are there.

The fact is that the penalty has nothing to do with reducing this particularly iniquitous trade in narcotics. It is not the penalty that is important; it is the certainty of apprehension upon which we must concentrate. You can fool around with the penalties all you want, but you are not going to change the statistics. It is interesting to note that in British Columbia, when marijuana first came to the province, the court of appeal said that obviously it was

a problem that was growing and it had to be controlled. In the well known case of *Regina v. Adelman*, the court of appeal of the province said that one of the ways to control the use of marijuana was to impose six months mandatory imprisonment upon any person convicted of possession. Following that decision, all the magistrates in the province used that judgment as a guideline and imposed at least six months imprisonment for first offence convictions for possession. Since that time the use of marijuana has quadrupled or quintupled; certainly it has reached the point where its use is greater than ever before.

I am pleased to see the hon. member for Vancouver-Kingsway (Mrs. Holt) in the House, as I know of her intense interest in the subject of drugs. She has spent a great deal of time studying the problem and I hope she will participate in this debate. Let me say something to her, through you, Mr. Speaker, regarding penalties imposed for the possession of drugs. If I am wrong, I hope she will correct me. The hon. lady had some concern that the Minister of Justice (Mr. Lang) was about to remove the section from the Criminal Code which provided seven years imprisonment for importing marijuana or any other drug. Let me point out to the hon. member that if she had had a child who came across the border with a "joint" in his pocket, at that time the mandatory penalty, upon conviction, was seven years in jail. One of the few progressive steps we were able to get from the Minister of Justice was removal of that particular section. The hon. member for Calgary North (Mr. Woolliams) was instrumental, as I recall it, in this House in pointing out the iniquitous feature of that section which should not have been in the act.

The penalties imposed are clearly not the answer; this fact has been demonstrated over and over again. The problem is out of control and the penalties we have been imposing have done nothing about it. What we do not understand, in respect of the drug trade, is the nature of the typical drug pusher. I have had the opportunity of defending pushers from time to time. The individuals who sit behind desks in New York and in Asia exporting these materials have not been convicted so far. We have not got to them, and until we adopt a whole new approach we will never get to them. The people we are getting to are the addicts. If addicts are to maintain their habit, they must sell the drug or turn someone else on. That is the insidious part of this drug problem: the guy you have addicted to the drug has to get his neighbour hooked on it in order to make a profit and maintain his own habit.

We must start treating this as a medical rather than a criminal problem. It is long past the time this government took another look at the Le Dain commission report on which we spent some $4 million. The only response we have been able to get so far from the Minister of Justice or the Solicitor General (Mr. Allmand) is that they will move the use of marijuana from the Narcotics Control Act to the Food and Drugs Act. That is a big deal; but what will it do about this problem? What will it do to reduce the amount of crime that has developed from the use of marijuana?

● (1550)

I think we must ask ourselves whether this government will take a meaningful approach toward stopping or controlling drug addiction and drug trafficking. What they have done—and I give them some credit for this—is to improve their prosecution procedures. They have set up a fairly large group of prosecutors, in the Vancouver area in particular, and increased the number of convictions. Statistics show that this is a direct result of the increased enforcement by the Minister of Justice, and I congratulate the government for that gesture. However, we need to spend more money in the investigatory area. This problem will not be solved until we get down to doing the hard work of detecting, walking the streets, increasing the number of undercover people and tripling or quadrupling the amount of money that the federal government is now spending. I do not have the figures in front of me, but I hope the Solicitor General will tell us the amount of money he is spending on this problem. However, so far as I know, the new, co-ordinated law enforcement unit in British Columbia is provincially funded.

We have a national emergency in terms of heroin addiction and drug trafficking, and the problem must be treated on a national basis. We cannot continue saying; "It is your problem out there on the coast." If we do not solve the problem in British Columbia, it will crop up in Saskatoon and all across the country in our small communities.

Mr. Nielsen: We have it now.

Mr. Leggatt: You have it, but not to the same extent, because British Columbia is one of the most heavily urbanized sections of the country. In every community where you have a great discrepancy between wealth and poverty, the rate of crime is high and certainly the rate of drug addiction is high. I should like to get back to the point I was making. We must beef-up the whole investigatory branch and we must establish closer liaison between the federal government and the co-ordinated law enforcement unit in order to control this problem. This is not a provincial responsibility but a national responsibility and it is time we realized it.

We have to think about where we go in terms of the Le Dain commission report. As I have said before, the federal government has spent some $4 million gathering a great deal of evidence on the whole question of drug addiction. Let me summarize very briefly what the report said. It said that we must de-criminalize heroin addiction which, as the report states, is a medical and not a criminal problem. It is no good saying that it is wrong to use heroin and "We will lock you up if we find you using it". That is exactly what we have been doing up to now. Not only has that failed to solve the problem, but it has made our area one of the drug centres of North America.

We can no longer use that approach. We must use alternate approaches. One of the approaches recommended by the Le Dain commission offers one of the greatest hopes of solving the problem, because when you take the market away from the organized drug trade, you start to move in on the problem. In all these consensual crimes—and this is a consensual crime because no one forces the needle into your arm—all that the organized drug people are doing is satisfying the existing market; but because it is a criminal activity the market continues to grow, profits grow and the whole thing spirals out of control. The Le Dain commission report, according to a newspaper article, said:

The commissioners would empower police officers to bring any person who they have reasonable grounds to believe is an addict before a magistrate who would then decide whether the person should undergo a medical examination.

If the person was found to be drug-dependent by the examining physician, confirmed by another physician, he could then be committed to a residential treatment facility by them for up to three months.

The commissioners were quick to point out that "the goal would be to replace the initial compulsion as soon as possible by voluntary acceptance of and response to treatment".

That system has been used before. It was used in Japan. Ten years ago, Japan had 40,000 addicts; today they have 100. I know it is a different social climate and there are reasons for distinguishing the Japanese experience from our own, but I am urging the minister to let us try something. Even if it is a pilot project, let us try it and find out whether there is any merit in compulsory treatment. If we were to set up such a treatment centre on the lower mainland, I am sure the million people in the area would be delighted that some action was taking place and a new approach was being used. As I said, in Japan they have almost eliminated drug addiction with compulsory treatment. What they did is interesting. They finally cut off the trafficking routes to Japan, and they did it the hard way—by spending a lot of money, using a tremendous number of agents, and attacking the problem with the seriousness it deserves. That is what I suggest this government has failed to do. They have used the time-worn methods of controlling a disease which is growing and spiralling. We must take a new approach to the drug addiction problem. Incidentally, in the Japanese experiment there was rejection of the methadone treatment. I urge that we be very careful in the use of the methadone treatment because it has some very bad side-effects. I hope it will be rejected in any system that we adopt in this country. We also have the British experience. Britain, with a population of some 50 million people, has around 3,000 addicts. Canada, with a population of 20 million, in round figures, has around 15,000 addicts, conservatively. The British system tries to de-criminalize heroin trafficking. We must take the same route.

The hon. member for Saint-Hyacinthe dealt in some detail with the question of organized crime. Organized crime continues to feed in the consensual area. The Americans call it consensual crime. Where there is a market, organized crime will thrive. In a city where there are great discrepancies between rich and poor, organized crime has a heyday. One of the answers to this problem is to go some distance in removing these discrepancies within our cities. It is interesting that in a socially cohesive unit such as a small community, the crime rate is much lower. Social forces have tremendous influence on the whole community in reducing crime. But now we have various segments in our major urban centres which are at war with each other. There was the day when the police would grab a juvenile, take him to the old man and say, "If you don't do something to the kid, we will"—and it worked. Unfortunately, we are now so highly organized and overpopulated that this work is now being done by social workers.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired, unless there is unanimous agreement to allow him to continue. Is that agreed?

[Mr. Leggatt.]

Some hon. Members: Agreed.

Mr. Leggatt: I would like to thank hon. members for their indulgence. I will be brief. Unless we attack the sources of crime and the social conditions which breed it, unless we attack the market for organized crime—that is, the condition which allows it to grow in such an insidious way—and unless we finally make up our minds to de-criminalize heroin addiction, and I do not mean get rid of trafficking because trafficking must remain a crime with the heavy penalties that it now has, the problem will get worse. But we are going down the road to destruction, in terms of the social cohesiveness of this country, if we do not finally attack this serious problem on a massive, national scale—and I mean with money, not gestures, Mr. Speaker.

● (1600)

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like, on starting my remarks, to congratulate the hon. member for Saint-Hyacinthe (Mr. Wagner) for having moved the motion before the House today. I congratulate and thank him for giving us the opportunity of discussing this matter, of seeing things as they are, of putting them before the government and making the required suggestions to bring the government to adopt the means and take the steps required to fight against crime in all its forms in Canada.

Obviously, Mr. Speaker, crime does not exist solely in Canada. Other countries face similar problems, but we must fight against crime here, at home, against crime in all its forms. I trust that in his motion, the hon. member for Saint-Hyacinthe did not intend to situate the drug problem only in British Columbia, the loan shark business only in Ontario, and the mafia-type operations only in Quebec.

To my mind, those problems exist in all parts of Canada; the eastern provinces and the Maritimes are not exempt from them though crime may assume there less sophisticated forms than in the larger provinces such as Quebec, Ontario and British Columbia.

Mr. Speaker, drugs are a very important problem because they attack the whole population, though especially our young people. We must deal with drug traffic profiteers; they above all others, Mr. Speaker, must be sought out. Not only do they pounce down on our high school students; they also have the gall to attack our students in primary school.

Mr. Speaker, in 1971 the government introduced a program to fight usage of drugs. This involved a four-point research program; collection, analysis, processing and publicizing of data. At the time, I blamed the government for doing nothing against the international and Canadian underworlds that make enormous profits by selling drugs to 12-, 13- or 14-year old secondary school students.

Mr. Speaker, the information program introduced in 1971 can have no other results than a somewhat better knowledge of the problem. But what has been done in the fight against it? Some people are arrested, drugs are seized. A few days ago, in my area, an operation was launched to try and discover drug peddlers. It resulted in

one arrest only. Somebody was found to have one ounce of drug in the trunk of his car. He was arrested, so much the better, but I definitely feel, Mr. Speaker, that the person was planted there to get arrested in order to divert attention from the true drug traffickers, who went off unscathed.

Mr. Speaker, I believe the fight against the usage of drugs is not waged seriously. It seems increasingly easy to go through customs with drugs that are later peddled in a variety of forms among our youngsters. This has been noticed in the past. Research is done on the matter, and we are told that international agreements exist for the tracking and capture of drug traffickers. This has been up to now definitely unproductive, because the drug keeps on flowing into the country. It is still distributed everywhere. British Columbia is mentioned in the motion. It is certainly through that province that the entry of drugs is the easiest.

Mr. Speaker, it is urgent to cope with that problem before our people, more especially our youngsters are contaminated by drugs. A press release which the Minister of National Health and Welfare (Mr. Lalonde) published on March 30, 1973, read partly as follows:

—extensive statistics on the numbers of persons known to have used or been involved in some way with mood-modifying drugs including heroin and other narcotics, cannabis and hallucinogens during 1972. "I received these statistics on March 29, 1973", the minister explained, "and after evaluating them considered they should be released promptly to the public".

A total of 8958 illicit narcotic users were made known to the department in 1972. Of this number, 7719 are definitely known to have used heroin; most of the rest probably did also.

Mr. Speaker, we can learn who are the illicit narcotic users, but we must above all be in a position to identify those who provide them with those narcotics and I think that by cutting off supply sources, we would more effectively control their use.

● (1610)

Needless to recall here the way drug peddlers, profiteers and pushers act. They have all sorts of clever tricks to force drugs into the habits of young people, and once these have taken to addiction, they feel compelled to buy drugs, and are thus almost ineluctably led to become criminals.

Mr. Speaker, in respect of drugs as well as crime in general, several discoveries have been made especially in the past two years. I should like to emphasize the fact that we fight or want to fight crime as such, but pay little or insufficient attention to criminals, whether they are thieves, arsonists, drug pushers or underground leaders. In trying to fight crime, we forget criminals. In the past two years, according to an enquiry of the Office for the Prevention and Treatment of Alcoholism and other Toxicomanias, drug consumption has increased noticeably among young people. It was also found out that in 1971, 30.4 per cent of students who answered the questions of a public survey, declared they had already used drugs, as compared with 11.7 per cent in 1969. Such a considerable increase, Mr. Speaker, should alarm everyone, educators and governments. I quote:

This is one of the outstanding facts in an enquiry on student drug consumption at high school and college levels in the island of Montreal in 1969 and 1971. That enquiry was carried out by Mr. Léandre Bilodeau, a sociologist, under the direction of Mr. Aimé L. Raic, research director at the Office for the Prevention and Treatment of Alcoholism and other Toxicomanias. It was released by Doctor André Boudreau, the director of OPTAT.

The comparison between the 1969 results and those of 1971 reveals:

That the barbiturates consumption was tripled and the consumption of hallucinogens other than LSD almost tripled;

That the consumption of marijuana and LSD was more than doubled;

That the consumption of stimulants and tranquilizers had increased by one third;

And that the consumption of alcoholic drinks and tobacco had increased by approximately one tenth;

That the proportion of glue sniffers is the same in 1971 as it was in 1969.

In 1969, the highest proportion of consumers for each type of drugs was recruted among the twenty-year-and-over age group, while in 1971, it is recruited in the seventeen-year-and-over age group.

Mr. Speaker, this inquiry has confirmed what I was saying a moment ago, namely that efforts are being made to reach our young as soon as possible, even when they are still children, and adict them to drugs. This situation is alarming enough, Mr. Speaker, for the governments to take immediate steps to combat this type of crime.

Mr. Speaker, in the second part of his motion, the hon. member for Saint-Hyacinthe mentions loan sharking. Mr. Speaker, I have here the perfect example of loan sharking, and I intend to have it read into the official report of the House of Commons. When we talk about loan sharking, we do not refer only to the criminal activity of racketeers in the slums of Montreal, Vancouver or elsewhere. There are some people who are legitimately in business and who may be considered by some as the saviours of our people, I mean, the finance companies.

Mr. Speaker, finance companies that operate under the acts, and sometimes even outside them, are in the same class as any member of organized crime operating in the usurious loans field.

I have here the copy of a contract registered on October 7, 1971 and passed between a finance company and one of my constituents. This man needed the sum of $8,200. He went to this loan company. I do not think there is any need to name it because they are all alike and they all act in the same way. He obtained the amount of $8,200 very easily, because he could provide good collaterals. He was required to take out life and health insurance policies. The agent explained that if he paid health and life insurance premiums for 10 years, as this was to be the loan repayment period, it would cost him a great deal of money. He was told that a three-year insurance policy would be less expensive than a 10-year policy. He therefore accepted the price reduction he was offered, but the finance company agent also made him sign a loan contract for a period of three years rather than ten. The contract specified that there would be 35 equal payments and that the 36th should make up the full reimbursement, or else the rest of the debt would have to be refinanced.

After 35 months, the man realized that he had paid $5,053.65 in three years. He had also paid $299.98 for notary fees when signing the contract. He had paid $369 in life and health insurance premiums, and he realized that, while he had paid all this money, the capital of his debt had been reduced by only $1,100. The company was offering to renew his contract for the balance of his debt, or

nearly the entire amount, which meant that he had once again to pay notary fees and insurance premiums. He realized that he was not better off after three years than at the time he took out his loan and that he would probably have to repay this debt all his life, and in addition, that, on his death, his succession would have to continue paying the finance company.

Mr. Speaker, usurious loans are those we must fight against with laws, but with laws that are enforced, of course, and not put on the shelves and forgotten. We must enforce them. Whatever the names of the chairmen of those finance companies might be, they must be put in prison like others when they violate the legislation made by governments.

Now, Mr. Speaker, that is a type of usurious loan from which especially the poor must suffer. This is an important point we must also consider.

I come now to organized crime, to crime in general. We know that in the last few years the Canadian government, along with governments in the United States and in other countries, has felt pity for criminals to the extent that they have abolished the death penalty. They have made release on parole or on bail easier. They have even made it easier for prisoners to escape. It is now easier to get out of prison than to get in.

● (1620)

Now, Mr. Speaker, given those facts, we notice a sharp increase in the rate of crimes of all kinds in Canada as well as in the United States or elsewhere. Unfortunately, I was unable to find recent statistics on the crime upsurge in Canada, but I have here an article by Elmer Von Feldt and published in the November 1974 issue of *Columbia* magazine, and I quote:

> The real evil of the American society, that keeps pace with the inflation calamity is violent crime. It has shot up by 47 per cent during these last five years.

Therefore, Mr. Speaker, one can easily conclude that the situation is about the same in Canada. It is true that we have a serious problem on account of inflation but the crime problem in Canada is no less serious. The situation south of our border is about the same as the one we have here.

Further Mr. Feldt provides statistics on the kinds of violent crimes committed in the United States:

> Such statistics that make one ponder still give more weight to the recent warning sounded by Attorney General William B. Saxbe that this nation should begin to keep a closer watch on the criminal. He gave striking advice to the chiefs of police of 27 great cities attending a meeting in Chicago last August.

And the Attorney General of the United States insists on the following:

> "The tendency on the part of certain people always to blame the crime but never the criminal should be revised once more . . .
>
> "There was a time when most people looked upon the criminal as an abject person. Today, the criminal is more and more considered as a hero—not only in arts but on street corners also.
>
> "Those who kill, who rape and who rob are often considered as political victims.
>
> "Certain crimes—perhaps many crimes—will not be cured merely through the elimination of conditions that many people finally accepted as the deep causes of illegal behaviour.
>
> [Mr. Laprise.]
>
> "Many criminals transgress the law because they do want to. When dealing with them, the first thing to do is to increase our chances against them. We must make criminal conduct much more risky. We must ensure that chances are with society; that, when somebody commits a crime, he will be caught; once caught, he will have to face a fast and unfallible justice; when condemned, he will go to prison."

I, for one, would like to add: he will have to stay in prison.

The Acting Speaker (Mr. Penner): Order. I must interrupt the hon. member because the time allocated to him has expired. Unless he obtains the unanimous consent of the House, he may not be allowed to go on with his remarks.

Is there unanimous consent to allow the hon. member to complete his speech?

Some hon. Members: Agreed.

Mr. Laprise: I thank the House for allowing me to conclude my observations. I would have many other things to say on this subject, but others will have the opportunity to express their views. I would like to end with the motion moved by the mover, this afternoon, the hon. member for Saint-Hyacinthe, asking that a royal commission be instituted to find out the causes of organized crime.

Mr. Speaker, I do not know if the member for Saint-Hyacinthe is serious about it. I hope he is. I know he has wide experience in this field since he has been a lawyer, a judge, a minister, and a judge again. I think he is one of those who best know the problems of organized crime, not only from the criminal's, but also from the victim's point of view.

For years, we have had royal commissions in Quebec, and in Canada too, not particularly on organized crime, but on other problems. Two kinds of inquiries are now being conducted in Quebec, one on crime in general and the other on the problems of building trades which, strangely enough, have some similitude with organized crime.

Several years ago, an inquiry was conducted by Mayor Drapeau of Montreal in cooperation with Mr. Pacifique Plante. What was the net result? Not very much! Another inquiry was launched a couple of years ago, I believe. What further result did it produce? Nothing much! We now have yet another inquiry. We find that crime exists, it is obvious, but what is being done against the criminal?

We have often seen hardened criminals apprehended after committing a loathsome crime. Police officers have risked their life to apprehend these criminals, the latter are put in prison and a few days later, they are back on the streets, as free men, making faces at the police officers that had arrested them.

One wonders if it is worthwhile risking the life of police officers to arrest loathsome individuals when it is known that a few days later they will be as free as wind and will continue committing more crimes. It is well known that some individuals are now free after buying their evasion way out and they are endangering everyone's life.

Mr. Speaker, as I said earlier and as others have pointed out, I think that we should pay more attention to criminals than to crimes.

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, at the outset I want to assure the House that, with the opposition, the government is most concerned about the growth of crime and criminal conspiracies in Canada. We would agree with the motion, that there are particular problems with respect to the drug trade in British Columbia, loan sharking in Ontario and mafia-type conspiracies in Quebec. The government has increased, and continues to increase, its activities to combat crime through the Royal Canadian Mounted Police and by other means to protect the public and to bring these criminals to justice. I will speak first about the increasingly serious problem of abuse and trafficking in illicit drugs which, as hon. members have pointed out, continues to escalate in most communities in Canada. It is clear to all of us that the trafficking in and use of heroin, cocaine and the abuse of chemicals such as methamphetamine—Speed—MDA, LSD and other related drugs is a problem of increasing dimensions and a major cause for concern.

The use of heroin by the younger generation is on the rise. As recently as 1968 there were only 12 known habitual users of heroin in Canada under the age of 20. In 1973, this total had increased to 709. It is estimated today there are between 16,000 and 19,000 heroin addicts in Canada. It is also significant to note that Europe used to be the major source of supply for heroin entering Canada. During the past year, however, all indications are that most of the heroin entering Canada originated in Southeast Asia. The European supply was cut back due to rigorous enforcement in France and lack of heroin cultivation in Turkey. As many members know, the Turkish government has reversed its stand and will again allow cultivation of heroin.

With respect to cannabis, a significant development is the recent interest in importation and trafficking of cannabis drugs on the part of major criminal organizations. In the recent past, those primarily involved with the importation and trafficking of cannabis were the younger entrepreneurs. During 1973, five gangland-style murders in Montreal were directly connected to an investigation on the importation of hashish.

The Royal Canadian Mountain Police presently assumes primary responsibility for investigating offences of trafficking in drugs at all levels of police jurisdiction, local, provincial, interprovincial and international. Drug trafficking is a large, highly organized criminal operation involving contacts and resources at all levels of jurisdiction. Competent drug law enforcement requires a comprehensive and consistent process in the total community. Specialists in drug law enforcement are capable of dealing with specific situations, as is presently the practice of members of the RCMP special drug squads, but consistent enforcement at an adequate level will only be accomplished efficiently by all police forces and all members of those police forces assuming responsibility for enforcement.

As far as the federal government and the Royal Canadian Mounted Police are concerned, the following priorities for drug law enforcement are required: (a) the RCMP to provide leadership to improve drug intelligence, co-ordination and co-operation between all police department; (b) the RCMP to have primary responsibility for enforcement of drug trafficking offences at international, national, provincial and local levels and to provide assistance as required to other police forces where resources are available; (c) as a general rule, all police forces should accept responsibility for drug law enforcement within their respective jurisdictions and should be encouraged to develop the capacity for drug law enforcement where it is now lacking.

The RCMP offers a two-week drug investigation course for members of municipal and provincial police departments. In 1972-73, 38 members of municipal and provincial police departments took advantage of this course. In 1974-75, 123 members attended these courses. Hon. members should also note that the number of federal drug enforcement positions in the RCMP has increased from 102 in 1969-70 to 543 projected for 1975-76. For the fiscal year 1973-74, in excess of one million man-hours was expended by the RCMP in drug law enforcement.

I should also point out that because of the increase in the scope and size of international and national traffic in illicit narcotics, the drug enforcement program now includes international investigations. Many successful international investigations have been conducted by the RCMP in France, Italy, The Netherlands, England, Spain, Lebanon, Pakistan, India, Hong Kong mainland, Mexico, and the United States.

These investigations have been conducted in co-operation with Interpol, through close co-operative ventures such as Franco-American-Canadian meetings on drug enforcement and by sending RCMP investigators to source and transit countries to work on joint international investigations. In addition, the RCMP now has drug investigators stationed in Paris and Hong Kong to assist in international drug information liaison.

● (1630)

I now wish to deal with British Columbia in particular. I am advised that between 60 and 70 per cent of the total illicit drug problem in Canada is centred in British Columbia. Heroin addiction is the major problem, and it is estimated that 10,000 persons are involved in the illicit use of this drug in that province. In the city of Vancouver, a single dose, or capsule of heroin now costs $35. Each person using heroin will purchase an average of two capsules each day. This means that 10,000 heroin users will spend $700,000 each day, or $20 million each month.

During the past two months, 21½ pounds of heroin have been seized as a result of drug investigations in British Columbia. The RCMP recently conducted a major undercover operation in the greater Vancouver area during which 25 persons were charged with selling narcotics. Sixteen of those charged were considered to be major international or national drug traffickers. Unfortunately, the magnitude of illicit heroin traffic in British Columbia is such that these recent successful operations have not reduced the current availability of heroin.

There have been new initiatives, however. In British Columbia there are now 107 RCMP federal drug unit positions, of which 69 are assigned to the Vancouver RCMP drug unit. The Vancouver unit is to be increased by 17 positions by April 1, 1975, for a total of 86. The depart-

ment of the attorney general of British Columbia has initiated a new program called CLEU or Co-ordinated Law Enforcement Unit. As part of this program, members of the RCMP and the Vancouver city police work together on major criminal problems. A recent successful drug investigation was concluded by a combined group of 16 RCMP members and nine Vancouver city police members.

Mr. Speaker, I should now like to explain to the House the assistance given by the federal government to the provinces in the form of Royal Canadian Mounted Police, national police, services. The government provides and bears the total cost of a national police service to all Canadian law enforcement agencies as one way of helping to combat crime in Canada. The Royal Canadian Mounted Police is the major and central criminal intelligence body in Canada and must be in a position to provide full and comprehensive facilities for the exchange of criminal intelligence with other police forces. These national police services include: (a) an identification branch and central fingerprint bureau; (b) six crime detection laboratories, located in New Brunswick, Ontario, Saskatchewan, Alberta, British Columbia and Manitoba; (c) the Canadian Police Information Centre; (d) the Criminal Intelligence Service Canada; (e) Interpol; and (f) the Canadian Police College.

Of most direct significance to this debate, particularly as it concerns crime rings and criminal conspiracies, is the Criminal Intelligence Service Canada which I should like to describe in some detail. In 1962, it was decided to create a Canada-wide network of criminal intelligence units to combat the growing problem of organized crime in a co-ordinated and efficient manner. In 1970, Criminal Intelligence Service Canada was founded and it presently consists of 23 national criminal intelligence sections, six airport special squads, three special surveillance sections and 46 intelligence sections from other police departments and enforcement agencies. Two types of intelligence are handled—strategic intelligence and tactical intelligence. Strategic intelligence confirms the existence of organized crime elements and identifies the members of the group, their criminal activities, internal administration, movements, sources of income and vulnerability. Tactical intelligence is the gaining of information for prosecution and is subject to the rules of evidence.

The Criminal Intelligence Service, because it promotes a close working relationship between police forces, has made possible a number of successful joint force operations. During the past three years, joint force operations have resulted in excess of 250 criminal charges being laid, they have prevented at least two murders and located one of Canada's ten most wanted criminals. In addition, many notable criminals have been identified and a secret organization along the lines of the old mafia code was found to exist in Canada. During the past year, many of the efforts of the Criminal Intelligence Service have been directed toward the high priority areas of drug enforcement and commercial fraud. Hon. members may wish to note that in 1969-70 the national crime intelligence sections numbered 65 men in total. This year, 1974-75, the strength of these sections has been more than doubled to 146 members.

I turn now, Mr. Speaker, to the specific problem of loan sharking, that is, the loaning of money at exorbitant rates of interest. This is a matter of great concern to the government. I am advised by the RCMP that this is one of the most lucrative practices used by criminals. Loan sharking is difficult to detect, and under current legislation, chiefly involving the Small Loans Act, prosecution is not effective. For this reason my colleague, the Minister of Consumer and Corporate Affairs (Mr. Ouellet), is preparing legislation for revision of the Interest Act. One feature of the proposed new legislation will be the licensing of all persons engaged in the business of lending money.

I am advised that loan sharking is in operation in many of our major cities. There appears to be no set interest rate on such loans; the majority run from 10 per cent to 35 per cent per week on the full amount borrowed. On occasion, criminals involved will borrow money at normal rates of interest and loan it out at exorbitant rates to establish themselves. Loan sharking also breeds other forms of crime, both directly and indirectly. On occasion, loans are made to finance illegal activities such as drug trafficking, gambling and robberies. Indirectly, other crimes are committed by victims as the only means to repay loans. This repayment could take the form of supplying the loan shark with information that can be used to assist in other criminal offences such as robberies. Because of lack of complaints from victims, it is almost impossible for the police authorities to accurately assess the seriousness of loan sharking operations throughout the country. We know a serious problem exists, however, and we propose to concentrate on work in this area.

Before I comment specifically on the matters raised by hon. members opposite, I should like to point out that the Department of the Solicitor General has, itself, as a principal objective, the prevention of crime and the protection of the public. I must remind the House that jurisdiction for the enforcement of the criminal law in Canada is broadly divided between the provincial governments and the federal government. The federal government legislates in the area of criminal law and for the most part the provinces enforce this legislation. The Criminal Code is enforced by provincial attorneys general—

Mr. Nielsen: Except in the Territories.

Mr. Allmand: Except in the Territories; the hon. member is correct. Other criminal law statutes, such as the Narcotics Control Act, are enforced by the federal government. With respect to the courts, judges are appointed by the federal government, and in many of the courts administration is conducted by the provinces. Probation comes under provincial jurisdiction; parole under federal jurisdiction. Jail sentences of less than two years are under provincial jurisdiction; longer sentences are within federal jurisdiction.

● (1640)

So we have a very mixed jurisdiction in the area of criminal law. It is an area where it is extremely important that there be close co-operation not only between the federal and provincial governments but also between the federal, provincial and municipal governments. That having been said, Mr. Speaker, I believe that the federal government should take a leadership role in the criminal justice system. As a result, last year I called the first

federal-provincial conference in 14 years dealing with this matter.

The ministry of the Solicitor General, as I have said, is a focal point, or should become more and more the focal point, for the co-ordination and support of the fight against crime. It will support and assist the Commissioner of the RCMP in his efforts to improve co-operation between police forces. It will encourage and attempt to improve federal-provincial co-operation within the criminal justice system, and it will encourage better consultation within the national police community. In addition, it will work toward a common high standard of police training and police technology on a national basis. I should like to point out that one of the major projects of the secretariat of the Solicitor General's ministry is the conference that we are now planning, with the provinces, on the native offender. This conference will be taking place in Alberta some time in the month of February.

I should now like to comment briefly on some of the points made by hon. members opposite. I must congratulate them on the good speeches they have made. I think the hon. member for Saint-Hyacinthe (Mr. Wagner) very well described the problem of organized crime in Canada and its serious consequences. I also appreciated his comment that we must not only look to the symptoms of crime but to the causes of crime; that if we are to be successful in the long run, we must do much more in the area of the causes of crime. I should like to point out to the House that in recent years, through the ministry of the Solicitor General, we have been trying to do just that. We have had interdepartmental committees on crime and housing, dealing with the whole problem of urban renewal, slums and crime. We have had an interdepartmental committee with respect to Indian affairs and the native offender. We have had interdepartmental committees on the drug problem.

The hon. member for Saint-Hyacinthe recommended a royal commission into the causes of organized crime, and I will take that suggestion under consideration. I can only say that the advice I have from police forces is that a royal commission would not be that useful. They feel that for the most part a probe of this kind is usually overtaken by time and events, and that generally the work of a royal commission is not that useful in assisting the police. On the other hand, I would be willing to consider, and I am considering now, the possibility of a federal-provincial conference on crime and policing. As I pointed out earlier in my remarks, this is an area which concerns the provinces. The hon. member himself said that anything that is done should be done in equal co-operation with the provinces and, as I say, I am considering a federal-provincial conferecne on this particular matter.

The hon. member for New Westminster (Mr. Leggatt) suggested that we should take action, either immediately or as soon as possible, on the recommendations made in the Le Dain report. As hon. members know, the principal responsibility for implementing the recommendations of the Le Dain report comes under the jurisdiction of the Minister of National Health and Welfare (Mr. Lalonde). However, we do have an interdepartmental committee working on this particular report. My ministry is involved, other ministries are involved and we will soon have an announcement to make in this respect.

The hon. member also said that the methods presently used by the RCMP are out of date. He said they were time-worn methods, and he made reference to Japan, Great Britain and other jurisdictions with regard to things we should be doing. As I mentioned earlier in my remarks, we are presently doing some of the things the hon. member suggested, such as international policing, stationing men in other countries and following up on drug trafficking in other countries. In particular, we are participating with the provinces, especially with the province of British Columbia, in regard to CLEU. The hon. member might say that we should do more, and I agree we should and we will try to do more.

The hon. member strongly suggested that we should try to do more in the area of diversion, especially with young offenders. Again, this is a matter we are examining. We are presently working to frame and to put to the House very shortly a new young offenders act to replace the Juvenile Deliquents Act. We are working very closely with the provinces to bring about a system whereby we will be able to provide, in co-operation with the provinces, services and facilities for young offenders.

The hon. member for Abitibi (Mr. Laprise) concentrated to a great extent on drug traffickers, and I agree with many of the things he said. He said that there was too much tendency nowadays to be sorry for criminals, that too much emphasis was placed on helping criminals. In response, I can only say that we are introducing new programs in the area of rehabilitation—these are sometimes interpreted as being sorry for criminals—because we are hoping we will get to the causes of crime, a matter mentioned by the hon. member for Saint-Hyacinthe. These programs are designed to rehabilitate criminals. We believe that if we are to be serious about protecting the public we must do everything possible to help inmates so that they do not return to crime. I know that very often these programs are considered as being soft on crime, but they are really designed to protect the public.

Mr. Nielsen: Would the minister permit a question at this point?

Mr. Allmand: Yes, I would.

Mr. Nielsen: The minister ran through the functions of the various agencies in his department, but he made one glaring omission and that was the police security and planning analysis group, or whatever name the agency is now known by. The name seems to change as rapidly as do some of the faces around here. Would the minister bring us up to date on what part that group is playing in combating organized crime in Canada?

Mr. Allmand: Mr. Speaker, that would take a long speech, but I can say that this group was very helpful to me in bringing together all the facts and information that I used in my speech today. Many projects are under way in this particular unit. We are studying projects on gun control and many types of preventive crime. A written question was asked last week and I filed an answer listing a large number of projects. I do not have the list of projects with me today, but in general the PSPB—the Police and Securities Planning Branch—is a research

branch, an analysis branch in the area of crime, crime prevention and security matters.

Mr. Nielsen: No longer known as "Goyer's gumshoes".

Mr. Allmand: I do not think it was ever known as that. I should like to say a few words about the RCMP and its support of provincial initiatives. The role of the RCMP as the federal law enforcement agency is, in part, to prevent and detect offences against federal statutes and to conduct investigations as required. Enforcement of the Criminal Code is considered for the most part to be within the provincial governments' responsibility for the administration of justice. In saying this, however, I want to point out that in eight of our ten provinces the RCMP act as the provincial police force and in this role is responsible to the respective attorneys general or solicitors general. In the provinces of Quebec and Ontario, in which the RCMP is not the provincial police force, and in the eight contract provinces, I may say that co-operation between the RCMP and provincial authorities is excellent.

I might illustrate this by pointing out that through the national Criminal Intelligence Service, and in other ways, the RCMP have responded to recent provincial initiatives, such as the Quebec commission of inquiry into organized crime, the Ontario inquiry into organized crime and the building trades, and the recent work of the British Columbia co-ordinated law enforcement unit.

● (1650)

Before I resume my seat, Mr. Speaker, I must advise the House that unfortunately I must be absent this evening. For some time now I have had scheduled a visit to Alberta tomorrow to meet with Hon. Helen Hunley, the solicitor general of that province, to open a new correctional college near Edmonton and to examine the conditions under which our federal female inmates are now kept in provincial institutions. As hon. members know, we have agreed with the provinces to have our federal female inmates sent back to the provinces from which they came, under a special federal-provincial agreement.

An hon. Member: You are going to give effect to women's lib.

Mr. Allmand: I regret this absence. I notified the chief spokesman of each party this morning and I think most of them understood the situation. I might say that in my absence I will have in the galleries a number of RCMP and the chief adviser of the department to listen to the speeches of hon. members and to report to me. I will read their remarks in *Hansard* tomorrow as soon as I return.

Mr. Nielsen: I thought they had the place tapped anyway.

Mr. Allmand: I conclude my remarks by assuring hon. members that their points of view and suggestions during the debate on this serious matter will be taken seriously, and we are committed to doing everything possible within our jurisdiction to prevent and reduce crime and to help the provinces achieve this same goal. I know that all hon. members of the House have the same objective.

[Mr. Allmand.]

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I congratulate the mover, the hon. member for Saint-Hyacinthe (Mr. Wagner), first of all for bringing this resolution before the House today. I can say with all modesty that I had nothing to do with its formulation or the very stable, very restrained and very philosophical approach the hon. member took in his speech in which he outlined in a very sympathetic way the causes of crime in the country. It was a speech well worth making, and I quite frankly say to him, through you, Mr. Speaker, that I envy his oratorical powers and the way in which he made his speech. It was a speech well worth making. It is about time somebody said what the hon. member said today about crime, and I most heartily agree with him.

Let me say again, attempting to use the most restrained language possible, that I found the minister's reply today very disappointing. Now that we have had the philosophical approach from the hon. member, indicating the causes of organized crime in this country, I would suggest that my role now is to indicate in some small way the inroads organized crime has already made in this country.

I think the attitude displayed by the minister here today was good, as far as he went, but as is usual with most things we hear from across the floor of this chamber, I must say in all sincerity that his statement today was extremely disappointing and lacking in real depth as to just what has happened in this country in the last decade. I suggest that is indicated, as well, by the attendance here today. We have the Prime Minister (Mr. Trudeau), who was here for the question period but who quickly left, and the Minister of Justice (Mr. Lang) who I suggest should be playing a supervisory role in this whole matter but who has not even put in an attendance today. I would indicate to the minister, as well, that I am disappointed that he has to leave in approximately five minutes as he indicated earlier.

Traditionally, in fighting crime in this country the provincial and local presence has been paramount. In the last decade especially, sophisticated uses of communications and transportation techniques by warped but intelligent men have of necessity left provincial, municipal and local law enforcement agencies far behind and virtually helpless in combating internationally-directed and syndicated organized crime. This is true, not because of lack of intent, and in many cases not because of lack of training, but simply because of their limited, restricted jurisdiction. The minister may point with pride to the divided jurisdiction in combating crime in this country.

Mr. Allmand: Not with pride. That is our system.

Mr. Lawrence: The minister may point to the system in an attempt to defend it, but I find it almost indefensible. I think we are wavering, in this country, under an extremely archaic system, one that has certainly not kept up with the times. I think the place from which initiative and leadership should come is here in Ottawa. Initiative and leadership should come from the federal government toward changing the system, because the system is clearly wrong. I think the federal government and the Royal Canadian Mounted Police should have become far more paramount and should be the priority law enforcement agency. This government should be the government con-

cerned with combating organized crime in this country. It should be far more innovative and far more supervisory in leading the fight against organized crime, in a way that so far simply has not surfaced.

Mr. Allmand: Mr. Speaker, might I ask the hon. member a question?

Mr. Lawrence: When I have finished I will be glad to entertain questions. At a time when crime statistics in this country are far more than merely alarming, and at a time when obviously there is international control and foreign direction to what is going on in this country in respect of crime, the reverse is true of this government. Initiative and leadership on the part of this government is absolutely nil, and this has been demonstrated time and time again.

Over the last decade the morale in the RCMP has deteriorated to the point now that the RCMP is no longer the proud and effective force it once was. The leadership which emanates from this government has sadly deteriorated. We need more political direction. The law enforcement agencies need more money, more help, more facilities, experts and professional people. They are simply not getting that type of leadership, they are not getting that type of financial help and they are not getting the direction they need. I suggest this is not only true of the RCMP. Our Customs and Excise Branch has simply stood still for the last 50 years. Generally speaking, the Department of Revenue investigators are simply incompetent, due to their lack of training and lack of knowledge of what has been going on in the past. I think they sincerely and genuinely need far more facilities, better training and better pay. I think, as well, they need university and research assistance in ways they are not getting it at the moment.

I think this is the reason for the debate today. This is an honest attempt by the opposition, using the only means available to it at the moment, to wake a sleepy, lethargic government out of its apathy. Today we are seeing the effects of that apathy. At the moment we have, at the most, 20 government members in the House. I suggest that we have had a very lethargic and sleepy reply from a mediocre minister. For instance, why did he not deal with the involvement of organized crime in the construction industry labour unions and in other industries which has become apparent in the last 18 months in the provinces of Quebec and Ontario? It is nonsense on the part of the minister or anyone else to suggest that this whole matter is subject only to provincial jurisdiction. We have had royal commissions in both provinces—one is still continuing—which indicate in no uncertain terms that organized crime is now linked with the construction industry in both Ontario and Quebec.

● (1700)

Royal Canadian Mounted Police investigations alone have linked certain underworld figures with the violence which plagued the industry two years ago, and last year in James Bay approximately $8,000 of syndicate money supported local 791 in its strike at an estimated cost of over $1 million in the $26 million road construction project. Known, internationally-syndicated "soldiers" were also employed on this side at the time. But today we have no comment, no information, no suggestion whatsoever from the minister. Why did he not deal today with the white-collar crime which is rampant?

Mr. Allmand: Why didn't you put it in the motion?

Mr. Lawrence: Why did he not deal with commercial fraud, phony bankruptcies, insurance swindles? Certainly we should have heard something from the minister today about those crimes. The leadership and the initiative by this government is overdue with respect to, for instance, the establishment of a national securities commission. What happened to the thrust which existed a few years ago in respect of such legislation? Since then the problem in this country has become worse, not better, and for the last three years—I am not blaming this particular minister, but the whole department—we have not heard a word about it. And it is overdue. What in the world is the sense of us taking stock swindlers out of Bay Street if they settle in New Brunswick, for instance, later to be chased away from there by the New Brunswick government? All they do then is settle on the west coast. There has been ample evidence in the newspapers—

Mr. Allmand: I rise on a point of order, Mr. Speaker. The hon. member is a member of the political party which drafted the motion before us today, which refers to international and interprovincial crime rings operating in drugs, loan sharking and mafia-type conspiracies. Now he rises in his place and, in a way which I believe is irrelevant to the motion, asks us why we did not deal with matters which are not dealt with in the motion. I would have been pleased to deal with all these matters had the opposition placed them in the motion, and I would ask the hon. member to stick to the matters which his own party put in the motion before us.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Penner): Order, please. The Chair always has some difficulty in determining precisely how relevant are comments made in speeches to the motion or the bill before us. It is customary for the Chair to allow some degree of latitude in this regard, but I think that all speakers will wish to direct themselves to the motion that is now before the House.

Mr. Lawrence: Certainly, Mr. Speaker, and I thank you for that. The motion today is on organized crime, and it is to organized crime that I am directing my remarks.

Some hon. Members: Hear, hear!

Mr. Lawrence: I merely want to say that it is not only speculative newspaper reports today which indicate that organized crime and its many offshoots have moved into the Vancouver Stock Exchange, for example. I think that these are valid and worthy subjects that should be dealt with by us today, whether or not the minister likes it. But if he wants to talk about loan sharking, why did he not talk about it a few moments ago? Did he give us any plans or programs about the loan sharking shakedown that is now taking place here in Ontario and in Quebec especially?

We are not dealing with peanuts; we are dealing with an industry which in Ontario alone deals in hundreds of millions of dollars annually. Think of private insurance companies, private loan companies. Think of one outfit alone which in the city of Toronto has a turnover of over $100 million. There are in existence today foreign-controlled crime syndicates in metro Toronto alone which deal in that amount of money annually. One newspaper report which appeared the other day said that on the island of Montreal alone the total amount for loan sharking last year was over $700 million. We are not dealing with peanuts; we are dealing with powerful, intelligent, but warped groups which can manipulate governments and ministers as well as law enforcement agencies.

I say that the initiative and leadership in combating these groups must come from Ottawa. We can no longer rely on the attitude we have seen here today, according to which law enforcement agencies, local or provincial, are considered paramount. They cannot be, because we are dealing with international crime. Although money lending is not an offence under the Criminal Code as yet, the setting up of unreasonable interest rates is a crime and is covered by the Small Loans Act. The minister said it is ineffective. I should like to know how in the world he knows that, since the department has not attempted a prosecution under that act for the last three years.

Mr. Allmand: We do not prosecute them.

Mr. Lawrence: I am speaking of crimes relating to the terrorizing of private citizens, as well as the rapid increase in spin-off crimes which often results when borrowers are unable to repay their debts.

How about gambling in this country? Again, the attitude we see frequently is that this is something that can be looked after at the local or provincial level. That is nonsense. Gambling is prohibited by the federal Criminal Code, and at least two provinces where the abuses really exist, in the last three years have requested this government to allow them to control betting and the bookie business. It is well known, and it is openly carried on. If you do not believe me, sir, ask the guard, if you do not believe me, ask our House of Commons elevator operator, if you do not believe me, ask our messenger service who or where the nearest bookie in this building is. He will tell you, because it is done. It is a business in Ontario alone that handles at least $150 million annually, over one-half of which is bet on sports other than racing.

Some hon. Members: Oh, oh!

Mr. Lawrence: Hon. members opposite can poke fun at it, but I say to you, sir, that this is one of the cash registers of organized crime in this country, and it can and should be prevented. I believe that it can be prevented very easily by the government itself taking over control. This has been requested by provincial governments, and it has been refused time and time again. I say that this internationally-financed ring cannot operate without its United States connections. Let me read to you a very short paragraph from a Canadian report—not a very old report:

> Organized crime provides lay-off centres in Buffalo, in Atlanta, in Las Vegas, and in New Jersey, as well as betting information centres for the provision of odds and "point spreads" where necessary. A lay-off centre is apparently essential for most bookmakers to survive. They cannot afford to refuse bets or they will lose customers, while a pay-off on some large bets would put many out of business.

● (1710)

This is a business that is carried on here. Today we did not hear a word about the gambling business from the minister. We did not hear a word about the new techniques, new procedures and new research that should be taking place. We did not hear that gambling and the bookie business could not carry on without some sort of co-operation from government and local officials. Nor could it carry on without the co-operation of the news media in this country, Mr. Speaker. I say that very clearly. Have you ever opened the newspaper at the sports page and seen, not just the race results but the betting odds and the amounts won in the previous day's races? I say to you that the radio stations and news media of this country somehow or other must be influenced daily to publish that type of information. I say to you there are not that many horse lovers on the North American continent who are wondering or worrying about what horse won; instead, they are worrying how much the horse won for them through their local bookie down the street. Government, at the federal, provincial and local level can and should control that, but they do not. They do not even know the problems, much less do anything about gambling.

I should like now to deal with the drug problem. We have heard some rather misleading statistics from the minister. I think he underrated the problem. Drug addiction has increased by 455 per cent in the last five years in British Columbia alone. In other words, the British Columbia total is approximately two-thirds of the national total. The minister told us that there had only been a five-fold increase in the number of investigators with federal law enforcement agencies on the west coast. I think he should be ashamed to come into this House with such information, and should not boast that he is doing something about the problem. The drug trade in British Columbia alone—

The Acting Speaker (Mr. Penner): Order, please. I regret having to interrupt the hon. member in the midst of his speech, but the time allotted to him in this debate has expired.

Some hon. Members: Continue.

Mr. Lawrence: Mr. Speaker, may I ask if that includes the interruptions and the points of order?

The Acting Speaker (Mr. Penner): Order, please. I thank the hon. member for drawing that to the attention of the House. The Chair did take account of the fact that there was a point of order, and the hon. member was allowed the extra minutes that were taken up by it.

Mr. Allmand: Mr. Speaker, during the hon. member's remarks I put a question to him and he said he would accept it at the end of his speech. Would he accept it now? It is a serious question, and I should like to know what he meant by some of his remarks.

Mr. Lawrence: May I continue for a moment, Mr. Speaker?

The Acting Speaker (Mr. Penner): The minister may wish to ask a question, and by allowing the hon. member to answer we would be extending his time in this debate. That could only be done by unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Lawrence: Mr. Speaker, I appreciate the courtesy of the House and I do not want to trespass any more than I have to, but may I get on to one other subject—

The Acting Speaker (Mr. Penner): Order, please. I believe there has been a misunderstanding. The minister rose to ask a question and the Chair put to the House the question whether the hon. member could be given additional time to answer. I think that is what was requested and there is agreement to it.

Mr. Lawrence: Mr. Speaker, I either have extra time to continue, or I do not. If I have extra time to continue, I should like to use it in another way, and I will certainly entertain the minister's question.

An hon. Member: Let him ask the question.

Mr. Lawrence: If I may continue, and I assume I may—

The Acting Speaker (Mr. Penner): Order, please. I regret to interrupt the hon. member, but he has not been given time to continue. The request was for a question, and if the minister wishes to put that question now, the House has consented to allow the hon. member time to answer.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise a point of order. The last speaker who had difficulty ending his speech within the time requested extra time, and you were kind enough to follow the usual custom and ask the House whether he could have it, and consent was given. With respect, what you are saying now is that the only question is whether the minister ought to be able to question the hon. member for Northumberland-Durham (Mr. Lawrence). Bearing in mind the undertaking which the hon. member has given to take a question from the minister, may I ask, on his behalf, that you put the usual question whether he can have time to finish his speech?

The Acting Speaker (Mr. Penner): Order, please. The Chair has ruled in this regard, that it should be at the end of the hon. member's speech. He did not request additional time. The Chair put the question to the House when the minister asked to put a question to the hon. member. That is the situation. If the hon. member wishes to request an extension of time, he may certainly do so and that question will be put to the House.

Mr. Lawrence: Mr. Speaker, I thought I did request it. I thought you put the question and I thought the answer was in the affirmative.

The Acting Speaker (Mr. Penner): Is it agreed that the hon. member shall have additional time to complete his remarks?

Some hon. Members: Agreed.

Organized Crime

Mr. Lawrence: As I said, Mr. Speaker, I appreciate the courtesy of the House and I hope I shall not trespass unduly. There are a number of subjects that one would want to get into in a wide-ranging debate such as this, but I want to deal with two, if I may. One is the question of whether organized crime has infiltrated the very ranks of government itself. I should like to bring to the attention of the House the case of Mr. Charles Spatero who at one time was from Buffalo, New York. Dilly, as he is known to his friends, is what is known in the trade as a "torch". A torch is a gentleman who specializes in incendiary and arson work in Toronto, Montreal and some of our larger areas.

For the last little while there has been an alarming outbreak of arson. It is connected, obviously, with loan sharking, obviously with protection rackets and obviously with the enforcement of underworld regulations and judgments. They do exist, Mr. Speaker. I should like to suggest to you that so far in this session, in any event, I have heard no explanation whatsoever from the government or the minister as to the rather novel and alarming series of events that have overtaken Mr. Charles Angelo Spatero. He was sentenced in 1970 to the maximum sentence for arson in this country, 14 years, by Judge Martin in Toronto. On June 15, while incarcerated in Warkworth prison—which is just outside the boundaries of my riding—Mr. Spatero managed to obtain a three-day pass in order to see his wife who was supposed to be in a motel nearby.

Here is a man who received the maximum sentence on a charge of arson, Mr. Speaker. The evidence at the trial clearly indicated that he was not just on trial for one charge, but in actual fact there were five different related charges of arson. The one they got Dilly on was for pouring alcohol and gasoline all through a crowded tavern in downtown Toronto. In any event, he got 14 years. Somehow, somewhere, a man with that record got a three-day weekend pass on June 15. I do not find that remarkable because there are many other instances of people such as that getting weekend passes today. This is a novel technique that was brought about by the Trudeau government in this country. I am not so sure it has been a success, but that is not the point I am worried about today.

On June 15, on that weekend pass, of course, Dilly Spatero never returned to the Warkworth prison. Before long it was obvious that he had got into a green Cadillac—registered to a known underworld figure in New York state—in Campbellford which is just a few miles away from the prison, and obviously he was across the border in a matter of hours. That was known to law enforcement agencies in New York state, to law enforcement agencies in Canada; and it was known, as well, by the newspapers. Actually, on October 23 the reporters of two Toronto newspapers interviewed Mr. Spatero in Buffalo, New York. The point is that he was an escaped arsonist, a dangerous man. That was even the opinion of the late Mr. Maggadino, the crime boss in Buffalo who controlled certain kinds of crime in Hamilton and Toronto. Mr. Maggadino is no longer alive, but his organization is still alive. This man, Spatero, is a recognized torch. He should not have been out on weekend leave. He was out, and he got away. There has been an unaccountable delay in serving extradition papers in respect of Mr. Spatero.

● (1720)

Let me go over the facts again. In 1970 he was convicted and sent up for 14 years. On June 15 he escaped. Not until July were extradition papers finally signed by the Department of Justice in Ottawa. But absolutely nothing was done with those papers. Mr. Spatero was in Buffalo and everyone knew he was in Buffalo. The New York state people were doing their utmost to pin something on him so that he could be put away, because he is a recognized, dangerous figure. Reporters from the Toronto *Star* and the Toronto *Sun* interviewed him on October 25. At the same time, sir, the district attorney in Buffalo publicly indicated his displeasure because the authorities could not nail him for anything. The papers from Ottawa simply had never reached Washington. Hence, they had never gone from Washington to Buffalo because they were not in the United States.

It looks to me as if this case goes far beyond mere bureaucratic bungling in Ottawa. What happened goes beyond coincidence. I could give more examples like this, but will not bore the House with them. Events like this, linked with some of the difficulties encountered by the RCMP in Quebec, lead one to the inescapable conclusion that organized crime has put great pressure even on governments, even on our law enforcement agencies. Have we heard any worth-while explanation from the minister regarding the activities of Mr. Samson, the RCMP officer in Montreal who was involved in the July 26 bombing of one of the directors of Steinberg's?

Mr. Allmand: Ask questions and I will do my best to answer them.

Mr. Lawrence: Injured in the attempt, he is reputed to have been in contact both with Camille Gervais and William Obrunt. Gervais is awaiting sentence for conspiracy, while Obrunt has been designated by police as an underworld banker. Obrunt has been missing at least since October 16, 1974, and still does not seem to have been located. This leaves us with two questions: where is Obrunt now, and what does the government intend to do to find him and to prosecute him? I say that the Samson affair ties in with another alleged link to organized crime. RCMP officers McLery and Brunet were fired from the force in December, 1973, apparently due to their association—with whom? With Mr. Obrunt. They attempted to have their case reviewed but ran into difficulty when told that all relevant facts would be made public. They then decided not to have their case reviewed. I do not know where the pressure for that came from, whether it came from the underworld or from the RCMP; but no matter where the pressure came from, the circumstances look suspicious and the government owes us an explanation. All three of these men were involved with intelligence and with security.

On October 24, only eight days after they gave evidence that Samson was somehow connected with the underworld, it was announced that the FBI and the CIA had been asked to aid with security for the Olympic Games. The timing is too obvious to be ignored. The hypothesis is that by infiltrating the RCMP, organized crime was able to get hold of the security plans for the Olympics. Obviously, these plans would be sold to the highest terrorist bidders in the world.

I will not deal with the computation of crimes: we can deal with that another day. Let me say that I echo the sentiments which have been expressed in this debate. Our aim in this country should be to increase the deterrent to crime by increasing the chance of detection. We do not necessarily need to increase the length of jail terms or their severity. I completely agree with the thrust of the speech made by the hon. member for Saint-Hyacinthe. We need more work, more leadership, more initiative to be shown by the government in combating crime and its causes. If we can do that best by establishing a royal commission, we should establish that royal commission. The minister suggested that royal commissions, according to police experts, are not the best way of assisting the police. A royal commission might not assist the police, but it would wake up a lethargic and apathetic government and demonstrate the existence of difficulties in this area.

I suggest that we need more co-operation and communication among federal, provincial and local police forces; that we need improved co-operation and communication among federal and provincial departments of justice, prosecutors and officials. For heaven's sake, the provincial Crown Attorney system is there; why duplicate it at the federal level by establishing a new list of federal Crown Attorneys? The police need to concentrate on serious crimes involving victims, and we must investigate the feasibility of removing from the Criminal Code crimes which do not involve victims; crimes such as gambling, prostitution, liquor offences, and so on. Further, RCMP law enforcement officers are too important to be wasted. They should be given better training, and their time should not be wasted in patrolling Ottawa's NCC roads and handing out tickets for driving offences. They should be the experts trained to combat crime. Today, that is simply not the case.

One could make many suggestions. Most of all, the Prime Minister, the Minister of Justice, and the Solicitor General (Mr. Allmand) must be aware of what is going on today. They must demonstrate their inherent desire to come to grips with the problem. That, sir, we have not seen.

Mr. Allmand: Mr. Speaker, I wonder if the hon. member would permit a question. Actually, I could ask about 30 or 40 questions, but will be content with one. At the beginning of his remarks he said that the system in Canada, under which criminal jurisdiction is divided between the provinces and the federal government, is wrong, is scandalous. Was he seriously suggesting that the constitution should be amended, or that the federal government should ignore the constitution and take away from the provinces their jurisdiction in the criminal justice field and, as well, their responsibility in enforcing the Criminal Code? In other words, was he suggesting that the federal government should take over from the provinces the enforcement and prosecution of offences under the Criminal Code?

Mr. Lawrence: Mr. Speaker, I am no lover of the British North America Act and I think it is scandalous that we, in this country, are still labouring under an inadequate constitution. For that I blame my hon. friend and his govern-

ment colleagues. In this country there has grown up a duplicate system of courts, a duplicate system of the administration of justice, and a duplicate system of law enforcement. I thought I had touched on these questions; evidently the minister was not listening. There is, as well, a duplicate function of Crown prosecutors. I say those things are wrong. There has to be a sorting out period. It has to come from Ottawa.

● (1730)

By far the paramount group to combat internationally syndicated crime in this country has to come from Ottawa simply because the local jurisdictions, the local law enforcement people, the provincial police, do not have the jurisdiction, funds or facilities which the federal government should have. Today they do not have those. They should have them, and the blame has to fall squarely on the minister.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege. During the course of the remarks of my friend, the hon. member for Northumberland-Durham (Mr. Lawrence), he made certain references to the messengers, elevator operators, and perhaps other employees who work for us in this building. My friend is a lawyer. He is a former attorney general of Ontario. He knows these fine points much better than I could possibly understand them. However, to make a blanket reference to the employees of this building and to suggest that they are involved in activities that are—

Mr. Lawrence: You missed the whole point.

Mr. Knowles (Winnipeg North Centre): The hon. member says I missed the whole point. I say to the hon. member that he said either too much or too little. If he is laying a charge against the employees in this building, he should be pretty specific about it. However, if he is now prepared to say that the employees in this building are not engaged in anything that is criminal or quasi-criminal, that of course would clear the air. As one member of this House who is well served by the employees of this building, I do not like to see them maligned in this way.

Some hon. Members: Hear, hear!

Mr. Lawrence: Mr. Speaker, may I reply to the question of privilege. The point I was trying to make is that the bookie business and gambling in this country, this province, and even in this building is a recognized business. It will not be stamped out. It cannot be. Therefore, the way to combat it is to control it. Certainly that is what I meant by indicating to the members that the location of bookies, even in these buildings, is not a hard thing to find at all. It is because we are served so well by our messengers, elevator operators and guards that they are quite willing to tell us what is common knowledge elsewhere. If you ask them, they will tell you where the local bookie is for this floor in this building.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I suggest that my hon. friend has made the matter worse.

Mrs. Holt: Mr. Speaker, may I ask a question of the hon. member for Northumberland-Durham (Mr. Lawrence). As attorney general for Ontario, what did you do in the heartland of organized crime, and why?

Some hon. Members: Order!

Mrs. Holt: What place does partisan politics have in such a grave social problem, a problem of national concern? Every citizen of this country is concerned.

The Acting Speaker (Mr. Penner): Order, please.

Mr. Poulin: Mr. Speaker, I wish to speak to the question of privilege raised by the hon. member for Winnipeg North Centre (Mr. Knowles). Unless my hearing is wrong, in his reply on the question of privilege the hon. member for Northumberland-Durham (Mr. Lawrence) said that the business of book making is a recognized business in this building. I think that is a great disservice to those who serve us here. The hon. member should be prepared to state specifically where this is occurring and name those persons involved. Otherwise it casts an aspersion on all persons who are here. The hon. member said it is a recognized business in this building, in this chamber, in this House of Commons. I think the matter should be cleared up, Mr. Speaker.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I listened very carefully to what was said by my friend and neighbour, the hon. member for Winnipeg North Centre (Mr. Knowles), the hon. member for Ottawa Centre (Mr. Poulin) and others with regard to what was alleged to be a question of privilege. If that is what they are going to say, I suggest with respect that this debate ought not to continue. My feeling is it does not in any way infringe upon the privileges of a member of parliament in relation to his duties as a representative in this place. That is what constitutes a question of privilege.

This is certainly not a question of privilege in parliamentary terms. If this debate is going to continue, instead of debating the very important issue contained in this motion we will spend the rest of the day protecting certain interests. That is not the purpose. Certainly it is not a question of privilege under the rules of this House.

Mr. Stollery: Mr. speaker, by the hon. member casting aspersions on the staff of this House, this is a question of privilege. He has also cast aspersions on the members of this House by stating that this is common knowledge. I would like to make it clear that I do not know anything about any such activity going on in this House. In my view this constitutes a question of privilege. I in no way associate myself with what the hon. member has said and the accusations he has made.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in response to the hon. member for Grenville-Carleton (Mr. Baker), I do not wish to spin this matter out now, but I wish to reserve the right, if after consulting the record I still feel there is a question of privilege, to raise it tomorrow.

Organized Crime

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

The Acting Speaker (Mr. Penner): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Hillsborough (Mr. Macquarrie)—External Affairs—Representation of Palestinians at Geneva Conference—Canadian Position; the hon. member for Nickel Belt (Mr. Rodriguez)—Consumer Affairs—Alleged failure of powdered milk processors and retailers to give consumers benefit of subsidy—Government action; the hon. member for Provencher (Mr. Epp) Weights and Measures—Metric system—Compensation to schools for cost of conversion.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—REQUEST FOR IMMEDIATE GOVERNMENT ACTION TO COMBAT ORGANIZED CRIME

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

That this House, noting that international and interprovincial crime rings are operating out of control in the drug trade in British Columbia, the loan shark business in Ontario and in mafia-type conspiracies in Quebec, urges the government to act immediately—directly and through aid to the provinces—to protect the public and to bring these criminals to justice.

Mr. Gus MacFarlane (Hamilton Mountain): Mr. Speaker, I thank the hon. member for Saint-Hyacinthe (Mr. Wagner) for bringing before us a matter which all of us, including the Solicitor General (Mr. Allmand), consider to be of urgent concern.

None of us like the thought of invasion of our privacy and the taking over of our daily lives by crime syndicates, or habits promoted by them. By the same token I believe there are different ways to tackle this problem.

Many members have concentrated on police work or our laws. I tend to believe we are being a little more than unfair if we are continually to make references to those who have served us, and attempted to serve us well, by saying they are not serving us. Many of our policemen and police forces are doing a great service for us. This is recognized in each community. Indeed, many of our laws are framed in a way which were intended to help.

Unfortunately, this is somewhat of a two-edged sword. Sometimes in the framing of a law, someone uses life like a rock, and the law as a chisel, and tries to carve it in their own likeness. Then they try to impose on others their thoughts as to how life should be.

● (1740)

Some of us look on life as an ocean, and on the laws as sandcastles which crumble as the ocean moves. We hope there will be some around us and among those who make our laws and enforce them, who have this kind of understanding. I reject the idea that discipline will get us respect. I believe discipline is the result of respect. Therefore I believe the discipline demanded by society must to a great extent be achieved by itself.

[Mr. Knowles (Winnipeg North Centre).]

Far too little has been said about the young in this discussion. Who are all these people who sell these drugs? Who are all these people in Vancouver? Who are all these people in the Atlantic provinces? Who are all these people in Montreal?

Mr. Ellis: Ask the minister. He should know.

Mr. MacFarlane: Are they people none of us will ever know? Are they people that only the minister or a police officer or a judge will know? Are we not the ones who must take the responsibility, rather than placing it on the shoulders of someone else? At what point do we accept this responsibility? At what point do we ask ourselves whether they are juvenile delinquents or whether they are the result of delinquent adults?

The hon. member for Sainte-Hyacinthe comes from an area I knew very well, which I was familiar with, Verdun, Quebec. I remember that we organized a series of open-air dances in co-operation with the police, though after a good deal of opposition from other quarters. We noticed that the incidence of delinquency dropped on those evenings. The police stopped the traffic for the young people; they became friends of the young people, servants of the young people, and servants of the community. As a result the young people respected them. Basically, a healthy respect existed in that community between the young people and the police force.

The Le Dain Commission Report was not the be all and end all as far as drugs are concerned. Many things have changed since that report was issued. It is about time many of us, including policemen and citizens generally, read more about drugs and discovered that this is only a passing history.

I do recall one passage in the report—it did not appear to receive wide publicity at the time—about the situation in one of the maritime provinces. It appears that the citizens did not know what was going on, and even the mayor of Moncton did not know what was going on, but when a questionnaire was sent to one of the schools they discovered that 60 per cent of the young people had experienced soft drugs, acid, or hard drugs. No one mentioned that 85 per cent of the teachers were involved. This was in a small community. I wonder what might be happening in a large community such as the one I come from, Mr. Speaker.

I am not afraid to say for the record that the people of Hamilton Mountain are concerned. They are so concerned that they have started a full-scale drug education program. They have set up a community centre with special courses for nurses, doctors and social workers who attend. They believe they should be dealing with the situation from a knowledge of drugs and the circumstances in which they are taken. Too often I hear it said that the law should take care of these offenders.

I have nothing to say against lawyers, but I must face the fact that when standing before the court each one of them can only see how correct he is—not one is called upon to question his personal position when defending a

drug trafficker. The time is coming when we shall be obliged to make a decision, not as legislators, or policemen, or lawyers, but as people who should count ourselves as part of the authority, or force, which serves all of us.

The excellent recommendations which come from the universities from time to time should be adopted, along with other worthwhile suggestions from members of police forces and interested citizens. Members of the community generally should talk about these things and make their contributions toward the decision process.

I respect the views which have been put forward during this debate. Regardless of our feelings when we oppose each other for policital reasons, I believe that from time to time something will come before this House with which we can all be concerned. I am sure that those who follow me in this debate will have many more informed and intelligent things to say about the subject than I have, and I shall listen attentively.

The time has come to recognize that the way to law and order, the way to deal with the Godfather image, is through education. I believe that basically young people have a liking for and a respect for policemen. Many times that respect is taken from them by the courts, or by those in authority, or by people who seek for their own purposes to make the law or the police force look incorrect, regardless of the effect on the young.

I found that basically there was a kindred feeling between young people and policemen. Basically, you played ball in the streets, when you were too poor to have a dime, and you used the centre sewer as home plate and the two side sewers as third and first base. When a policeman came to move you he moved you as few times as he could, provided it didn't endanger your life. He didn't come driving down the street with a siren to arrest you. So many times in the past policemen have done this, and they are still doing it.

We should look to the policemen, Mr. Speaker. They must be involved in this education process. We should hear what they have to say about some of the measures we have passed as legislators. We should hear why they believe some of those measures do not help them in their tasks. We must seek ways of bringing together all the people who are most deeply involved. We should look upon policemen as those who serve us, respect them for what they do, and give them the opportunity to voice their opinion. I think many young people want this.

● (1750)

If I might just close with one thought in connection with any revision of our law which may take place, I would say this: there is a man by the name of George Raymond, the author and owner of the television show, "This is the Law". In September 1974, while researching material for a film concerning the Canadian children of alcoholic parents, Mr. Raymond was awakened to the depressing dilemma of hundreds of thousands of children in this country who are mentally and physically abused by an alcoholic parent, every day of their young lives.

Overwhelmed by the enormity of this single area of child neglect, and having in mind in the very broadest sense the myriad of other problems and decisions a child is compelled to face by himself, alone, every day, due to parental and public indifference, he was inspired to write

Organized Crime

"The Rights of Man." The words are by George Raymond, the music by Tommy Ambrose.

So much has been said 'bout the Rights of Man
Since the time when that man could first write,
Since he moved from his cave to the light of the day
And he yearned for the land which was so far far away
Since he learned how to work—how to love—how to play,
He's been worried 'bout his personal rights.

So much has been said 'bout the Rights of Man
Since he first came aware of his might,
Look at all that Man's done since he climbed from his tree
How he's learned how to walk—how to sail on the sea
How he's jumped on the moon with such obvious glee,
Always worried 'bout his personal rights.
So much has been said 'bout the Rights of Man
Since priorities gave him a fright,
Since man learned how to add and subtract and divide
His material wealth—which he often would hide
While he figured the wealth of the opposite side,
He's been worried 'bout his personal rights.
So much has been said 'bout the Rights of Man
Since he first felt his halo grow tight,
How man said "If it's there—then it's good for us all"
So he worked and invented and prospered—grew tall
Or drew strength from some bottle to soften his fall,
Always worried 'bout his personal rights.

So much has been said 'bout the Rights of Man
Since the time when man first said "I'm right",
'bout the wonderful things man has said and then done
Since he first grew his food—since he harnessed the sun
How he's spread the good word since inventing the gun,
Always worried 'bout his personal rights.
So much has been said 'bout the Rights of Man
Since his genius first helped win his fights,
Look at all that he's done since he first turned the sod
How he's crippled and killed for some great nameless god
How he despoils his children while using the rod.
Always worried 'bout his personal rights.
But what of the rights of The Child of Man
As man dreams of his personal wealth?
The young child who's ignored both in body and mind
Who is lonely and hungry and cold and can't find
Any shelter or love in a world where he's tossed,
To be shot—to be burned—to be bombed—to be lost.
Yes, what of the rights of The Child of Man
As man hurried through life to his fate?

While preoccupied man carries on with neglect
Of his children—while showing the highest respect
For the power and might of the sword and the gun,
And the pitiful acre dead bodies just won.
So what of the rights of The Child of Man
As man scratches along to his goals?
Where consumption of his all consuming desire
Where the dollar and status will kindle his fire
To be first—to be fastest and biggest—why not?
Who has time for the plight of some faceless young tot?

I think we have to look to those who make money out of drugs. We have to look to those who have the power to direct others. But I do say that each and every one of us has the responsibility to think of the rights of children at this time. If our laws could in some way be expressed, they would be expressed by what most of us when we were young saw, and what most of us see now—a policeman holding the hand of a small child.

Mr. Fairweather: Mr. Speaker, I should like to call it six o'clock; I do not want my speech interrupted.

The Acting Speaker (Mr. Penner): It being six o'clock I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. R. Gordon L. Fairweather (Fundy-Royal): I am grateful that you allowed me to call it six o'clock a minute or two before that hour so that my trend of thought, if that is the expression, would not be interruped.

I think it is useful for this House of Commons to spend a day debating a matter or an issue which is of very great concern to a good number of Canadians. I want to congratulate my colleague, the hon. member for Saint-Hyacinthe (Mr. Wagner), for a very constructively argued contribution to this debate. His argument seemed to me to be progressive and positive.

When we are considering the whole issue of crime, Mr. Speaker, we have to keep slogans to a minimum. Simplistic solutions really do not help us at all. After all, the last person to use law and order as an election gimmick, the last person to use this over-simplified and pejorative phrase, the last campaign which aroused the public into a state of frenzy about law and order was that of Richard Nixon, a Richard Nixon who subverted law while invoking a slogan. We have a very great deal to learn from the very unhappy experience of the United States about what I would call an over-simple view of a terribly complex issue.

There is nothing new, of course, in organized crime, and for the purpose of this debate I think of organized crime as crime organized on a continental or worldwide basis. However, what is new, it seems to me, is the amount of technological sophistication which those engaged in organized crime are able to use for their nefarious purposes.

We have heard from our colleague, the hon. member for New Westminster (Mr. Leggatt), and we have also read the statistics about the very grave phenomena of the drug problem of British Columbia. We have learned with horror the fact that drug addiction has increased by something like 455 per cent in the last five years in the province of British Columbia. In other words, the total there is approximately two-thirds of the national total in hard drug terms. The drug trade there has mushroomed into a

half billion dollar business, and some eight syndicates in the lower mainland have used the proceeds of the drug trade to have money laundered through legitimate businesses.

Mention has already been made of the Co-ordinated Law Enforcement Unit, an enterprise, as I understand it, of the Attorney General of British Columbia. It is a co-operative effort by metropolitan Vancouver, British Columbia and the RCMP, but the spark came from the Attorney General of British Columbia.

That group found that "gang money", as they call it, is being "laundered" through legitimate business enterprises throughout the province. Law enforcement agencies estimate that up to 30 per cent of the mining and local junior industrial companies on the Vancouver stock exchange are in danger of being manipulated by criminally oriented promoters who are getting away virtually scotfree. The report also cites the securities industry, the second mortgage field and nightclubs as the three other areas that might be called legitimate businesses in their organization and concept, yet have been infiltrated by what might be termed "dirty" money.

Statistics Canada figures, from law enforcement, judicial and correctional statistics, support the agonizing situation, if I can use that adjective, in British Columbia. Statistics Canada goes on to describe the totals for Canada. It states:

> Each of the four drug classifications continue to show an increase nationally from a low of 17.2 per cent for addicting opiate like drugs to a high of 106.8 per cent (101.0 per cent in the first half of 1973) for Cannabis (Marijuana) related offences.
>
> While the percentage change for three of the four drug offences varied substantially from large increases to significant decreases in the provinces, all provinces showed an increase in the Cannabis classification from a low of 27.4 per cent in Prince Edward Island, to a high of 127.3 per cent in Ontario.

Some hon. members have made the suggestion that for drug trafficking we should return to capital punishment. I have taken part in two capital punishment debates in this parliament, and I have no doubt at all that capital punishment is not a deterrent to drug trafficking or anything else. As the hon. member for New Westminster reminded us, there are now very severe penalties, such as life imprisonment, for drug trafficking.

● (2010)

There is just one other statistic that I would like to share. There is one element of the crime picture in Canada that has taken a somewhat positive turn, and that is that the murder rate in this country in 1974 is substantially less than in 1973 by some 15 per cent. In 1973, the rate was lower than in 1972. I just put these statistics on the record as a footnote to remind some hon. members that, whether or not capital punishment is abolished, the violent crime of murder is on the decrease in Canada. I am sorry to say, and hon. members probably know this, that other forms of violent crime have in fact increased over the last few years.

What should be done about organized crime? I believe, as do several hon. members who have spoken, that our aim should be to increase the deterrent by increasing the chances of detection. I think that this is the key, and several hon. members have made this point. There is really

not much point in increasing the length of jail terms or their severity—they are already very severe. I think we need several things and I should like to share my thoughts with hon. members.

First, we need improved co-operation and communication between federal, provincial and local police forces, and I think the key example, of which several hon. members have spoken, that operates in British Columbia is a very positive thing.

Second, we need improved co-operation and communication between federal and provincial justice departments, prosecutors and officials. I share the view of the hon. member for Northumberland-Durham (Mr. Lawrence) that it is too bad that we are into the business of proliferating the office of the Crown Attorney. There are excellent Crown Attorneys working in the provinces. It is a pity that these officials have not had the responsibility of prosecuting narcotics offences and that the patronage system has been operating in this federal field. Many law enforcement people to whom I have spoken have deplored this because they feel that Crown Attorneys build up a body of jurisprudence, a body of expertise, and could well handle this and other federal offences.

Third, we need the concentration by police on serious crimes involving a victim.

Fourth, we need an investigation of the feasibility of the gradual removal of victimless crimes from the statute books, such as gambling, prostitution, liquor offences, and so on. The police are now being used as sort of moral guides, and in many cases the morals which they are trying to enforce have become outdated by changed public attitudes. That does not say that all our attitudes with regard to these things have changed, but it means that in general the police are expected in some cases to be watchdogs over morality rather than involved in the much more serious business of investigating crimes where there is a victim.

Fifth, should my last suggestion be adopted, of course this would free prison space and also free the police.

Sixth, we must free trained policemen from the need to handle minor traffic offences, family quarrels, and so on. The police now are expected to cover the whole gamut of serious and grave crimes from murder to whether someone overstayed their time in a parking spot.

Seventh, I suggest that we need to investigate measures to make criminals pay restitution for their acts to victims, as recommended last week by the Law Reform Commission in a most interesting report. I will come back to that report in a minute. At present the victim is often penalized physically or financially for life, while the criminal is in jail for a short term.

Eighth, only when we are certain that victims are protected should we concern ourselves with what we might call the general welfare of the criminal, although this also must be put in perspective.

Ninth, the best deterrent is not inhumane punishment but the certainty of detection. I do not know whether any hon. members listened last night to a radio program where a person who has just come out after nine years in Dorchester, the maximum security penitentiary, kept repeating that he was not sure about the rehabilitation in Dorchester but he was very certain that what would prevent him from repeating his crime was the fear of detection. Lastly, I think we should remember that detection rates are very low in this country, that the courts are overcrowded and that punishment is seriously varied depending on where you are located.

I was going to say that punishment is also dependent on whom you know, but I do not think that is the case. I think it is a fact that a variety of people are responsible for punishment. I think that the Department of the Solicitor General is to be commended for the efforts they and the Justice Department have made toward getting supreme court and county judges and magistrates together to discuss the matter of sentencing, because I think that the variety of sentences handed out for similar crimes in this country makes cynics, not only of those caught but of many of us who practice law.

I was interested in the third report of the Law Reform Commission for a couple of reasons. First of all, it is well written. In a very few pages it sets out some recommendations and some conclusions that had been reached by the commission since its second annual report. It is a pleasure to read a document prepared by officials that is written in elegant English, and presumably the same goes for the other official language, French. It happened that the original of this report was written—and I took the trouble to find out—by Professor Patrick Fitzgerald of Carleton University.

A surprising number of people have spoken to me about the elegant or, more than that, the very clear, direct, understandable and pleasant language. I wish everybody in offices in this national capital could read this report. I do think that there are all too few reports produced in government departments that have any lasting quality. Anyway, it is the report of the commission, no matter who wrote it. The commission reminds us:

> Reforming laws means more than changing them; it means improving them. The two don't always go together. Cromwell's Parliament once passed an act outlawing Christmas—a change admittedly but was it an improvement? Was the new law a true reflection of the social need?

● (2020)

All I could do here is interpolate that if anybody were to pass a law outlawing Christmas until Christmas, I think it would be an improvement. This is away off the subject and I am ready to be taken to task for it right away, but it did remind me that we seem to start Christmas right after Halloween now.

To get back to the point, Mr. Speaker, the commission goes on to ask how we can ensure that new laws truly reflect the social need?

The report reminds us that in ancient Greece somebody who had a proposal to make for a change in the law was brought forward with a yoke around his neck. He then had to debate the change and if he were successful in persuading the citizens he was freed and, if not, he suffered the consequences. Nobody would propose such a drastic thing in 1974, I hope, but I thought that the commission report gave a rather thoughtful analysis of the difficulty of law reform.

Anybody can propose an amendment to a statute. All that is needed is paste, a pair of scissors and a parliament that is—I will not say lazy because this parliament has not been going long enough for me to make any judgment on that. But it is easy enough to change the criminal law by patchwork. To change the philosophy behind the law without the public understanding and support which are essential, is much more difficult.

I myself happen to have voted for and supported with enthusiasm the change in the provisions for bail. But, Mr. Speaker, we parliamentarians made a very grave mistake about that law because we did not take the trouble and the time to instruct the law enforcement agencies in the use of the changed rule, and did not perform our duty by taking our case—or the government's case since the credit rightfully belongs to the government—for this good reform to the public to get an understanding of it.

The Law Reform Commission discussed a couple of things that we are working on, and I will end on this note as I see Mr. Speaker is getting very nervous. In working papers Nos. 5 and 6 the Law Reform Commission made two very worthwhile recommendations. Working paper No. 5 dealt with restitution and compensation for the victims of crime, and working paper No. 6 dealt with fines rather than incarceration. The commission did a very wise and more than humane thing—I know some people will think I am being sentimental when indeed I am anything but—indeed I think a sentence to jail is often a copout. In many cases it is much easier to go to jail than to pay the restitution or a fine.

I think if the government sees fit to accept these recommendations on restitution, compensation and fines, a lot of the pressures on our penitentiary system could be relieved and the police could get on with their real business, that is, dealing with the grave and serious crimes about which many of my colleagues on both sides of the House have reminded us today.

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, this is really my first speech in the House.

Some hon. Members: Hear, hear!

Mrs. Holt: I am very happy that the hon. member for Saint-Hyacinthe (Mr. Wagner) brought this matter up because it has been of deepest concern to me for many, many years. I have worked on the problem of drugs, on juvenile crime—all crime right through to murder—throughout my entire career of 30 years. I am glad the hon. member brought it up as a non-partisan issue, one that every person in this chamber should be concerned about. Every family in this country, every father and mother—everyone—has been touched by this.

There was a day when I was a rarity because I knew criminals, and I knew them as a white collar worker. Today everybody knows a drug user, either in their own family or in the neighbourhood. It is the great devastation of our time; it can destroy the very fabric of our society if it continues.

I am also very grateful to my compatriot, the hon. member for New Westminster (Mr. Leggatt), who recorded most accurately the problem in the west, one that is now spreading throughout the country. I do not agree with everything he said, but I agree in part.

If oratory could solve the horrendous problem of mass killing by drug dealers, once known as merchants of death, it would have been solved this afternoon in this House of Commons.

I am deeply concerned that some hon. members are so out of touch that they believe the drug scene is the syndrome of the poor. It is not, Mr. Speaker; it is a problem of all classes of society, particularly the middle and upper classes.

An hon. Member: That is why we are dealing with it now.

Mrs. Holt: As a newcomer here I understand now why this disease has been allowed to spread and contaminate the whole country—why children have been affected and disabled by the time they reach their majority. They deteriorated and died on the streets. I watched it, Mr. Speaker. That is why I find this debating and playing games with such a serious problem so absolutely abhorrent.

I was appalled that the hon. member for Northumberland-Durham (Mr. Lawrence) made this a political debate when he, as Attorney General of the Province of Ontario only a few years ago, could have resolved many of the problems that are now endemic in Canada.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Don't get political!

Mrs. Holt: As a citizen of this great country I was saddened to think that a problem as serious as this could be treated as a matter of oratory. I hope I am not included in that because there is much I want to tell members from my experience working on the streets of Vancouver, on Mountain Avenue in Montreal, Yorkville in Toronto, Osborne Street in Winnipeg and in Calgary. I worked in Haight-Ashbury; I worked in Aspen, Colorado; and the lower east side of New York to research this problem. I have researched the basic causes of violence. So I come here not for oratory but to tell this House that we have a problem which everyone of us must put our minds to in order to solve it.

I begged for help in 1966, Mr. Speaker. I went across this country as it was exploding, and asked for help. But I was accused of being an alarmist. I tried to explain that when a house is burning and children are inside, we do not stand back and wait.

Nine year olds are now mainlining drugs and heroin. In British Columbia, 65 per cent of addicts are under 18 years of age. We are talking of children, Mr. Speaker. I can remember when I wrote a news story about a 17-year old girl using heroin and it ran on page one. That was only ten years ago, Mr. Speaker.

I can remember in the drug wars of 1955-56. When I worked behind the scenes with users, pushers and police, they only used bombs because there were just two syndicates. Now there are probably seven or eight, because the market is big enough to support them all.

● (2030)

We should be fortunate in Canada if there were only 15,000 addicts in this country. Statistics compiled by the new Co-ordinating Law Enforcement Unit, called CLEU in British Columbia, show that the average drug user uses an average of two caps a day, and that heroin addiction progresses and gets worse. In the old days you heard people talk of going "cold turkey", which was a painful experience. It simply meant that a user was trying to cut back to, say, one cap a day. In those days he paid $5 for a cap; today's price is between $35 and $40. If the user could stay on two caps a day, he thought it a miracle.

In almost every neighbourhood of Vancouver, Victoria, Nanaimo or Prince Rupert, actually in practically every village and town of British Columbia, you will find addicts. There is a well known corner in Vancouver where many known addicts used to congregate. The addict population remained stable for 10 or 12 years. Of the 3,300 known addicts in Canada, two thirds could be found in that neighbourhood of Vancouver. Today the addict population is much larger and the problem is much more serious. Young addicts are using between 15 and 20 caps a day, some as many as 35 caps. You can work out the arithmetic of the massive use and see how much crime results from a habit this big.

There has been so much oratory in this chamber today that perhaps it is time to put before hon. members some basic facts about the drug situation. I am aware of various facets of the law. I am not a lawyer but have worked in the streets and have been involved in observing nearly every facet of crime. I have worked in the courts, in the prisons, on parole cases, in the streets with addicts, and with hippies. They have even crashed my living room. I talked freely to them and learned from them. I have been close to the judiciary, to the legal profession and to the police doing law enforcement. I plan to go back to the streets again soon to bring my knowledge up to date. I spent half a day in Vancouver two weeks ago to obtain up-to-date information. I used to go out regularly, once a month, to find out what had happened since the drug scene exploded in 1966.

Today, following the drug user explosion which took place in Vancouver in 1966 and, to a lesser degree, in Toronto and Montreal, there is hardly a street in British Columbia on which you will not find drugs. Originally, of course, drugs simply meant heroin. There was little marijuana or cannabis about. Now you will find MDA, a high powered acid, amphetamines, particularly one called speed which kills—as they know in Toronto—cocaine, which we have not seen in British Columbia for 40 years, opium, the old time drug and elephant weed or Thai stick. How many of you have heard of that powerful form of cannabis?

In addition you will find cannabis in various forms. People say the drug is harmless, less dangerous than alcohol. Let me say here and now that alcohol is indeed the most dangerous drug. Who can say that if cannabis were to be freely available in society in the same manner as alcohol is freely available we will not see 750,000 cannabis addicts? If I had time I would tell you the damage cannabis does.

Organized Crime

Much research has been done into cannabis for the past 30 years. The term cannabis may cover various forms of the drug. For instance, there is marijuana, which varies in strength and degree of effectiveness. I am putting this simply because some members may not be aware of what is happening. Some having started need more and stronger cannabis. Others say, "If you have not tried it, don't knock it." I have not tried it. It is against the law, and it should stay that way.

Some hon. Members: Hear, hear!

Mrs. Holt: It varies in strength, depending on where it was grown, under what temperature conditions and so on. Hashish has long been known as the assassin's drug. It is 10 times as strong as ordinary marijuana. Liquid hashish is 10 times as strong as plain hashish, or 100 times stronger than marijuana.

What has happened? Despite the protestations of swingers in our society who want to be "with it", who said that cannabis is not dangerous, the number of addicts has increased from 3,300, of whom 2,200 were in that notorious area of Vancouver, to God knows what number nowadays. You will find their numbers increased dramatically in the two major cities of eastern Canada, and now, as I say, there are God knows how many addicts. You cannot walk on any street in downtown Vancouver in B.C. without seeing them.

There is a difference between the heroin addict of the old days and the modern addict. The old addict was euphoric, without the courage to engage in violence. To obtain drugs the old addict went into prostitution, shoplifting or burglary. At that time a cap cost only $5. Today the western addict is the way the New York addict has been for many years, a violent, dangerous killer. Studies show that the New York addict progressed, in the main, from cannabis to heroin. At least 70 per cent have followed that path. I am certain that the use of a combination of drugs is responsible for the emergence of violence in Vancouver.

Many professionals—doctors, lawyers, social workers, academics and other "with it" people—tried to ingratiate themselves with the young by "doing their thing". Unfortunately, the problem grew too big for the police to handle. Young people started to call the police pigs and, as you will recall, the police countered by saying, "If you are in trouble call a hippy." The police of Vancouver have done a good job, and they could do much better if their efforts were not nullified by the courts. They want people to help them. No doubt we need a larger force to cope with the problem. Often they need to do one job three times, largely because of the work of judges and lawyers.

The courts are not working to resolve the problem. Their actions are aggravating it. The police will work as much as five years gathering evidence through intensive surveillance for a charge or series of charges. The arrest is made and, within a few hours, bail is set and the accused is out on the street. These people have to intensify their drug pushing. They have to raise more money to pay their lawyer or, if there is a possibility of incarceration, to take off to somewhere else. Judges have handed down almost minimal sentences. The court of appeal recently reversed a sentence handed down by a provincial judge who had

sentenced a major pusher to a fine of $15,000 with three years to pay or five months in jail. A major drug pusher can raise $15,000 within a month.

Let me tell you how quickly drug pushers can grow rich. Several years ago I was involved with a motorcycle gang.

Mr. Peters: You don't look the type.

Mrs. Holt: I will show you how to use a chain some day, if I really get rough. This young punk I am thinking of could not even afford his 50 cent initiation fee into a motorcycle gang— that's how poor he was. He could not afford to pay his dues at one time. Today, as a non-user pusher, he has at least five pieces of real estate in Vancouver and drives the latest model Mercedes-Benz.

● (2040)

In the spring of 1966 I began a book on teenagers. I discussed the changing morality of the young. I had two paragraphs dealing with LSD and marijuana. Then came Dr. Timothy Leary of Harvard, the great guru of the psychedelic cult, and all his followers. There were many in Canada, including a very famous doctor from Montreal who said that neither of these drugs was dangerous. By fall I had to stop production of that book because the situation had exploded. Originally we had only heard about this from Haight-Ashbury and the east end of New York. At that time there was nothing in Canada. It was not even enough for a footnote in a book.

In September, four months later, I sat with the young who came from eastern Canada, St. Catharines, Durham, Windsor, Hamilton. They were all eastern transients. We called them "hippies". In those days there was only one house of hippies. We called it a crash pad. Within two months every part of the city had these houses filled with circles of pot smokers. In addition, they were mainlining speed. I watched a boy mainline and rush against the wall.

They were joy popping heroin and smoking opium. Two draft dodgers in one house were showing them how to flag. That is shooting a needle in your arm and watching the blood come up.

An hon. Member: Really?

Mrs. Holt: Maybe you know about it. Maybe you are experts. But the way you talked today I did not think you knew about drugs.

The next thing we knew, they were mainlining chocolate cake, syrup and peanut butter. That was how the needle freak began and heroin started. We saw it all start. Then, as now, in this great and beautiful House members were playing their usual games and not paying attention to what was happening across this country.

An hon. Member: The Liberals were in office.

Mrs. Holt: You were all involved! You only wanted to make *Hansard*!

Some hon. Members: Hear, hear!

Mrs. Holt: Today this subject has been raised in a serious way. It is not political. There is only one member of this House who has made it something political, silly and immature. I must apologize, Mr. Speaker, for being rude. I have a lot to say, but I guess I had better not.

An hon. Member: Go ahead.

Mrs. Holt: Are you a lawyer? Are you a lawyer who has done what they did in Prince George? A lawyer rushed to get 14 out on bail on April 6 of this year. They are now pushing more intensively. They come in regularly with their drugs. There is a flash flood of drugs in Prince George, a little city in northern British Columbia. They come there with their drugs, and then get out before the police can do anything. These 14 are still awaiting trial. Justice delayed is justice denied to individuals and to society. That is your legal cliché.

Mr. Deputy Speaker: Order, please.

Mrs. Holt: Could I have just one more minute, Mr. Speaker?

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: I have already given a minute for the applause. The hon. member can continue only with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Leggatt: Mr. Speaker, I rise on a point of order. Will the hon. member permit a question during the course of her remarks?

Mrs. Holt: Yes, it makes it easier.

Mr. Leggatt: The hon. member indicated that in Vancouver drug addiction used to be restricted to about half a block. She put the figure at about 3,300 people. She also indicated that this disease now affects all classes. Does she agree that the reason we are debating this is that this disease now affects the middle class in Canada? One of the reasons we are finally waking up to the problem is that it is affecting our children. We should have been concerned for years about the same problem.

Some hon. Members: Hear, hear!

Mrs. Holt: I absolutely agree that is true. It is now the children of the professionals and the middle class. That is what has happened. I do not disagree with that.

It was not 3,300 on Vancouver's notorious corner on Hastings Street. There were 2,200 there and 1,100 for the rest of Canada. That is an estimate. I am sorry, Mr. Speaker, but I am not used to speaking from prepared notes and I am sort of lost.

Recently the Minister of Justice (Mr. Lang) was forced to move by direct indictment in order to get 24 people accused with respect to a drug ring importing from the Golden Triangle, in south east Asia, Laos, Burma and Thailand. There was a mass of undercover work and the arrest of 24 people. As a result drugs in Vancouver have temporarily dried up. Violence has increased. There is not a night goes by without three or four people being attacked. A policeman was shot within the last week. Unfortunately the minister had to move by direct indictment in order to get this case quickly before the courts.

Major cases have been delayed in coming before the courts by various stalling techniques. Two and a half years later there is an acquittal because the policemen cannot possibly handle the evidence of years before, mixed with the masses of crime that followed it.

I will simply go on to my recommendations. I have background for them. Mr. Speaker, I think there is a stiffening of public attitude toward drugs and crime. I hope there will be a stiffening here in this House.

We must fill the loopholes that now exist in the Bail Reform Act, but in the meantime we must use the 72 hour holding time which allows the courts to get information. This prevents the release of a drug pusher. If there is evidence of a massive drug operator, and that knowledge is before the courts, I hope bail will be denied. This will entail a speedy trial. I do not believe people should be kept in prison for long periods while the courts play with their cases.

There should be a review of the law on capital punishment to include the mass killers, which are what drug pushers are in our society. I know men are still in prison for life on commuted death sentences for killing one person in a fight; yet we allow these people to go out again on the street and kill thousands and thousands of young people.

● (2050)

I would recommend that we implement, as quickly as possible, Part II of the Narcotics Control Act. It is now on the books, but it has never been implemented. It would require all levels of government to achieve its purposes. It provides for the compulsory treatment of addicts. This is similar to what has happened in Japan and the way they are solving the problem there. But in Japan the addict coming for treatment and returning to drugs, immediately returns to the treatment centre. There is no secret that he must go back if he returns to drugs, and there is no such thing as mere possession. A person who is using drugs today must be a pusher, and there is no conscience among drug users; they will push it on anyone to get their own supplies.

I agree with the hon. member for Saint-Hyacinthe that there should be preventative correction. It goes back to day one in the life of a child, where there must be intervention to help families who cannot cope with their own problems.

We must find a way to put sanctions on countries like Turkey and those in the Golden Triangle which produce and distribute drugs throughout the world for non-medical use. It is a known fact that social solutions can never keep up with social problems. Perhaps today there was more talk than action, but on serious problems such as we are discussing today this great House of Commons should be seeking answers and solutions.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I should like to join the others who have congratulated the mover of this motion, not only for bringing this matter to the attention of the House but also for his initial presentation, his reasoned, constructive, philosophical approach to this subject. I should also like to congratulate the hon. member for Vancouver-Kingsway (Mrs. Holt), who has just preceded me. It is obvious to me from the manner in which she presented her case, as well as from my reading of some of the work she has written, that she is perhaps the most knowledgeable person in this area that we have in the House today.

I take it that one of the main roles of parliament is to highlight national problems as revealed to us as members of parliament in our contact with constituents, and in our mail. Organized crime, and law enforcement in connection with organized crime, are certainly one of those problems today. I take it also that the role of the opposition is to criticize from time to time, to propose courses of action, and to suggest alternatives for the government to implement.

I thought I had the parameters of this problem sorted out earlier on this debate until I heard the speech given by the Solicitor General (Mr. Allmand). He added another dimension which I find quite terrifying. Not being legally trained I was not aware of the implications of this particular aspect. In this area of international crime I find that the fracturing of responsibility, as mentioned by the minister, is one of the greatest sources of concern. It is one we have overlooked; because of split jurisdictions there is an ever present risk of breakdown in communications, of failure to take action where action is required, and of the danger that we shall fall between two stools or between more than two stools, maybe half a dozen stools, and here we are, flat, to the detriment of society.

We are pleading therefore in this debate for an assertion of positive leadership by the central government in contemplating this international phenomenon, this terrifying spectre. I underline the words "international phenomenon". Only the federal government can act in this area. It must do so.

Two weeks ago I visited all the high schools in my riding. I fondly imagined when I had made arrangements to visit these high schools that I would impart information. It turned out pretty much the other way. I came away with the feeling that I was carrying back with me a good deal more information than I had left behind. One of the most terrifying bits of information I got was connected with drugs. However, from one class—let's be fair—I learned of a community effort in trying to determine whether a pond was being contaminated because of the flow of some polluting material. That was a good community venture.

But in another class, what did I learn? One subject they wanted to talk about was marijuana. "Why don't we legalize it?" they asked. Why don't we make it possible for them to get marijuana? I argued that to do so would be leading further and further into a morass, and that it would lead to heroin. They denied it entirely. "How do you know it will?" they asked. "Have you ever tried it?" "I have never tried it", I told them. "All right, don't talk to us because we have tried it and we know. It does not lead to heroin".

I take the words of the hon. member for Vancouver-Kingsway quite seriously because I know she has studied this seriously, and when she says it leads on, I take it it leads on. I am going to send a copy of these proceedings to that class, not because of my contribution but because of the other contributions which have been made here today.

They asked me how I knew it would lead to heroin if I had never tried it. How could I be so positive about it.

The argument continued, and they brought up alcohol and said "Why don't you do something about alcohol?" Well, we all admit alcohol is a problem. I held my ground, but I do not think I persuaded them. I said we were now confronted with a new hallucinogenic compound whose long term effects we did not know, so why broaden the permissive use of this until more is known. We have gone through the alcohol-prohibition kick. We are aware of the evils to which it could give rise, biologically, socially and domestically. We must exercise extreme caution.

● (2100)

Here we have something relatively new on the horizon. Are we going to take those steps which the young want, to legalize even the drug they consider the least harmful, cannabis? I am persuaded that if this is done we will not know the end of that road. We should exercise a good deal more caution regarding drug use than is the case with alcohol when we allocate funds for extensive research, something to which I shall return.

My other reason for urging that there be no extension is in the very nature of the people now using it—people with active, enquiring minds out to experiment. We all did this in our own way at that age, but happily I like to think without such inflammatory materials or quite such dangerous substances. Because of the adventurousness of these youngsters, many may try marijuana and, because the experience seems to give them some sort of a lift, they will try something else, and then they will take more and more. With the ever increasing threshold of tolerance about which we have just heard, they go from cap to cap to many caps, and the problem increases. The social consequences of this course of action are calamitous; we see some evidence of this today.

It is rather interesting to speculate why the roles have changed a little bit on the alcohol-drug scene. These children spoke about the damage that alcohol was doing in their lives. They saw their adult parents in the pubs on Saturday night, then come reeling home while the kids were wondering when supper would be served. The role is now changing: it is the children who are off on a trip and the parents are agonizing where they are, what is going to happen to them and how far they have got mixed up in drugs.

I have also been at meetings where mothers and fathers of drug addicted children pleaded for help. They did not know where to turn. They turn to the police, to social workers and to doctors, but so far there seems to be no real help given these parents, at least not within our present framework. Not enough time or money is devoted to this purpose. Closer municipal, provincial and federal co-operation is required, and I hope the day is not far off when this co-operation will be forthcoming.

There is a court record that appears regularly in either the *Colonist* or the *Times* in my area, and 80 per cent of the cases of one particular judge are in the sordid area of drug addiction. Children of 18, 19 and 20 come back to court, and back again. The rulings and endurance of this judge in face of this addiction are stoic in the extreme and he deserves the maximum support of our community. I hope that the solutions he is looking for will one day emerge.

I maintain that in present day society there has been a breakdown—this was evident from my discussions in the schools—in discipline and self-control within the family, within the schools and within the community. This promotes disrespect for law and for law enforcement. This is a subject that requires much more careful study before we can return to an era when discipline and self-control are qualities that are admirable, not qualities that people can say are of no account.

I am not all that enamoured of statistics, and we have had a good many statistics referred to us tonight showing how many drug addicts there are in Vancouver and in British Columbia in general, and how much it costs to support drug addiction. The figures I have in front of me are official, and show there are 6,500 addicts on the lower mainland, requiring some $350,000 a day to support the habit. I understand more extensive statistics suggest that this figure is closer to 15,000 and that the daily cost is $1 million. These are figures we have heard tonight, but they are worth repeating on the record of today's debate. These aberrations and moral derelictions are supported, promoted, aided and urged on by organized crime, crime that is organized on an international scale.

What can we do, Mr. Speaker, to come to grips with this problem? First of all, I suggest we must help the police. We must assist in getting the crime detection duties of our police forces assigned their proper priority, with crime detection itself at the top of the list. Professional training is needed. It has been mentioned before, but I repeat there are other duties now being performed by our police forces which might well be performed by those who are less professionally trained. These lesser duties need to be done, but not at the expense of the high priority that criminal detection requires.

Raids have been carried out, of course, and some of the drugs in use have been picked up; this fact was mentioned by the speaker who immediately preceded me. Rather than cite examples of this, I think some other facts ought to be put on the record. These are to be found in a report already mentioned by a number of speakers, the report by CLEU, initiated by the B.C. government. Federal support was given, but this report was initiated by the B.C. government, for reasons I find difficult to understand; leadership should have come from Ottawa. This report refers to the price spread of these products from when they first arrive until they get on the street. From a price of $7,500 for one pound, purchased direct from the Orient and delivered to Vancouver, the price rises to $22,000 to $25,000 when purchased by the distributor from the importer.

An hon. Member: Beryl Plumptre should look into that.

Mr. Munro (Esquimalt-Saanich): Yes, the price spread here is incredible; it just about triples. From a price of $3,000 per ounce purchased at the middleman level we go to $550 to $625 for one bundle of 25 caps as purchased by the street dealer or pusher. So hon. members can see that the price of this product multiplies astronomically. Exponential logarithms have nothing on these prices in the drug field. Prices in various parts of Canada are also cited by the report, which appeared in the Vancouver *Sun* on

October 26, not so very long ago, page 7. This report is very definitely worth reading. Nothing on this scale would be possible without the massive intervention of organized international crime, with criminals battening on to a society whose defences are not what they ought to be.

● (2110)

There is mentioned, in these various extracts, the attention being focused on the many dangers of drug and drug abuse by the B.C. provincial government. There was also the provincial government inquiry by the B.C. Alcoholic and Drug Commission, and its report I think is also worthy of quoting. Since this is the library copy I did not feel I should mark it up, Mr. Speaker, so I will have to search through it for the particular item. I should really have used my red pencil to get these sorted out. There are very clear references in this report of the B.C. Alcoholic and Drug Commission report which indicate that this problem is going from bad to worse.

I have mentioned the role our policemen can play. In the community in which I live we have an extremely fine police force composed of officers who have been deeply involved and committed to community work. There are several who do a great deal in this particular field, and in the recovery of those who have lost their way in other areas and for other reasons. One particular man I think of is highly respected in the community and is always sought by the students and young people themselves. This is the sort of role a policeman should play.

I think it was the hon. member for Hamilton Mountain (Mr. MacFarlane) who mentioned the need for a close relationship between the policeman and the community. He said that in his early days the policeman was always a friend. We now hear, and it is regrettable that they are all too often called "pigs". They cannot remain in that categorization in the minds of our young people. They must return to the role of being friends, counsel and advisers in our communities.

In one quotation I was unable to find from the B.C. Alcoholic and Drug Commission Report there is a passage I think deserves mention at this stage. The report suggests that it is not going to be government activity alone that will solve everything. It suggests that when people begin to take responsibility for their actions we will then be reaching the point where we will be able to do something about this. This is the line I tried to adopt when I was talking to high school students. I said their actions are going to lead to consequences of which they are not aware. I suggested that they beware of that course of action as they cannot do something like this and get away with it. This is just not possible.

We also heard the note sounded last week by the Law Reform Commission which was quoted by my hon. friend—

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

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, in the interest of allowing others to speak I will refrain from summarizing the various points I have tried to make.

Organized Crime

Mr. Hugh Poulin (Ottawa Centre): Mr. Speaker, like many others who have preceded me in this debate today I should like to add my congratulation to the hon. member for Saint-Hyacinthe (Mr. Wagner) on the philosophical manner in which he put the problems, as he terms them in his motion, of "interprovincial crime rings . . . operating out of control in the drug trade in British Columbia, the loan shark business in Ontario and in mafia-type conspiracies in Quebec".

The problems of international and interprovincial crime are, indeed, problems that have occupied the minds of the law makers and law enforcers of this nation and, indeed, of nations throughout the world since the beginning of time. In order to conquer these problems we need fundamental laws. I submit to you that this parliament in the last few years has been passing consistently such laws. We need in addition to good law enforcement—and this requires co-operation at all levels, municipal, provincial and federal, of law enforcement agencies—to ensure that the criminal who dares break the law will meet with the most severe sanctions this parliament can possibly determine.

As is the case with many problems, there are in respect of the drug addict legal problems and medical problems as well. This was pointed out by the hon. member for New Westminster (Mr. Leggatt). I feel that in the case of a person who is truly sick, the man who is addicted to the use of this most terrible drug, heroin, and who is at the same time a pusher, he is taking the place of the chain store and the supermarkets on the streets of British Columbia as well as other parts of our nation. It is through that supermarket chain that most people are introduced to the use of heroin. The man who himself must feed his own habit by inducing others to become addicted to drugs is the man who epitomizes the most serious problem we have to face in combating the addiction to drugs, especially heroin, across this nation.

If we go back in the chain of supply we must inevitably come to the commercial trafficker in drugs. Perhaps I might be permitted to call upon my own personal experience in the practice of law in citing a case which illustrates two things; the great benefit which accrues to those who are commercial traffickers in drugs, and the great courage of police officers of this country, as well as of international police forces, in attempting to curb this type of crime.

The particular case I cite took place in this city some few years ago. It involved the co-operation of the United States Bureau of Narcotics and Dangerous Drugs, the RCMP and the Ottawa city police. At the time there was a quantity of heroin of a purity of about 99 per cent being offered for sale. The transaction was to take place in a prominent hotel in this city. I commend the officers involved in this undercover operation for their heroism.

There was one officer in a room with four persons who were trafficking in this drug. The amount involved was valued at some $2.5 million.

● (2120)

He was alone in the room and, as the criminals came in, they frisked him to make sure that he had no weapon on him. His coat was off and a gun was stuck in the small of

his back. He was confronted by international elements, one of whom was a French national with a French passport, another a citizen of the United States, and two musclemen who were from the city of Ottawa. They came in to the room with this lone officer who weighed perhaps 150 pounds, a small, defenceless man, by himself, with three and a half kilos of pure heroin. He was there alone to represent the law enforcement agents of this community and in fact all of us.

As the result of good police work international co-operation and good laws in this case, as well as the result of the wiretap which was being taken of the transaction, immediately upon the transaction having been consumated and the illicit substance delivered in the hotel room in Ottawa—the money was delivered simultaneously in another hotel room in New York city, the French national, we believed, having brought the substance to the city—they were all arrested at the same time. As a result of the fact that RCMP officers were in adjacent rooms—I have said there was an undercover operator in the room where the transaction was taking place—and the good work of the Ottawa city policemen—all of whom could have been shot and killed suddenly but this was prevented by better use of detective information—everything ended well.

If I mention that story in order to point out that to combat this type of international crime we in Canada must have effective police work, coupled with good laws, and the best possible technological equipment available to help the police forces.

Let me refer back to the last parliament, the twenty ninth parliament, when, on two separate occasions, the Conservative Party and the NDP joined to vote against the government. On both occasions they produced a catastrophe for themselves and, I believe, for the people of Canada. The last one of those occasions was on July 8 when they voted against us and suffered a loss. The result of that has been a good strong government on this side. But prior to that, and the only other time that the two opposition parties joined their forces to vote against us, was when they wanted to introduce into the protection of privacy act a 90 day warning period, which would mean that 90 days after a wiretap is authorized against someone suspected of having committed a crime he would be notified of it.

Originally the period for which wiretapping was authorized was only 30 days which, in my submission, is far too short a time to allow for any proper detective or investigative work, but in the event that they do not come upon sufficient evidence to lay a charge, at the end of 90 days they would have to notify the person who is under investigation that he has been under electronic surveillance. The hon. member for Saint-Hyacinthe and the hon. member for New Westminster brought forward that amendment which would have prohibited the type of investigation to which I have referred, which resulted in the apprehension and conviction of international criminals dealing in this most reprehensible of crimes, that is, international trafficking in heroin.

The investigation to which I have referred took many months, many months in the United States and many months in Canada, and the wiretap evidence which was produced at the trial of those individuals was secured by a

[Mr. Poulin.]

court order, not a court order in the province of Ontario or any other jurisdiction within the province, but a court order obtained by the Supreme Court of the State of New York, because that was where the tap was finally put on. There was constant communication between Ottawa and New York while this transaction was taking place.

So it does not make sense for a member of the official opposition to say on one hand that we should do everything we can to combat organized crime—and I agree with that—and on the other hand to speak out of both sides of his mouth and deny agencies what they need in order to investigate and keep under surveillance at all times persons who are engaged in the most reprehensible of all crimes, that is, commercial trafficking in heroin.

The one who is causing us more problems, however, but who could not exist were it not for the former, is the one who is selling four or five caps a day and who is himself an addict and under compulsion, because of his need to feed his habit, to sell to others and, as the hon. member for Vancouver-Kingsway (Mrs. Holt) said, to induce young children to form this insidious habit. The Narcotic Control Act dates back to 1960 when we were in a different age, a different time. It seems to me that the act needs to be reviewed in its entirety by the government in light of the changing circumstances and changing attitudes of society with respect to the use of drugs. The act has been amended since it was passed in 1960, but not sufficiently.

The riding which I represent has within its boundaries many primary and secondary schools, colleges and universities, and it is of great concern to the people in this community, as it is to the people of British Columbia and all across Canada, that we do what we can, and that we do it as quickly as we can, to point out to the young people—and as a father of five teenagers I am fully aware of the importance of this—that the use of drugs can lead to nothing but harm for them and for those with whom they associate.

The bail reform laws that we have in this country now have had a salutary effect in ensuring that those people who do not have enough money and who were formerly refused bail are now granted their freedom. However, in the prosecution of drug offences it is more the rule than otherwise that a person who is charged with trafficking in heroin is immediately released on bail. And immediately upon his release he will have to go back to his old pattern in order to feed his habit. Such people are often arrested again for the same crime.

● (2130)

I would suggest to the Minister of Justice (Mr. Lang) that the Bail Reform Act should be looked at closely in view of the facts that have emerged since its introduction. Perhaps it should be amended to give precise instructions to the judges who are charged with administering it, rather than the onus being placed on the Crown to demonstrate that the person involved is not likely to show for his trial or that he is likely to commit another crime. We might get to the position where such persons would be kept in custody so long as there was evidence to indicate the likelihood of their committing the same crime again!

I understand that in Vancouver some 3,000 drug cases are awaiting trial. This is because of the Bail Reform Act

on the one hand and because of legal aid too, although the latter is a good thing. The same backlog exists in Toronto. As the hon. member for Vancouver-Kingsway said a few moments ago, "Justice delayed is justice denied".

I am afraid that during the two years some of those people out on bail are awaiting trial they may commit the same crime again. Unfortunately, even if convicted of the second crime committed while on bail, the sentence is often not as severe as it should be.

If I may comment briefly on the statement of the hon. member for New Westminster, Mr. Speaker, I believe we are dealing with more than just a medical problem when we are dealing with the addict who is also a pusher. This is a very serious social problem which this parliament must face, and perhaps it will be necessary for us to review the Narcotic Control Act in order to deal with it. Traffickers may indeed be sick but they are also committing a criminal offence. There should be strict conditions for parole and medical treatment for such offenders, but not just paper parole and paper medical treatment. There should be effective supervision so that if they dare move into that field again, or induce other persons to use drugs, they would be incarcerated, whether for medical treatment or the protection of society.

Our fundamental problem is how to deter people from engaging in this and indeed all types of criminal activity, and thereby protect society. I heard the hon. member for Northumberland-Durham (Mr. Lawrence) say that the method of fighting crime in Canada is wrong. Mr. Speaker, my investigations and research indicate that our law enforcement agencies are among the most highly respected in the world. The Royal Canadian Mounted Police is one of the most highly thought of anywhere.

Mr. Munro (Esquimalt-Saanich): Let's keep it that way.

Mr. Poulin: The immediate past commissioner of the Royal Canadian Mounted Police was named as president of Interpol in the last session, which would indicate that the RCMP is regarded highly by the law enforcement agencies of other nations. I think we in this House and this country should be giving our police forces the best and latest technological assistance available to encourage them in their fight against crime. This would be in the best interests of the people of Canada.

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, while this country of late has been concerned with the high cost of living and the accompanying economic problems—and so it should—I am pleased that the time has come to bring attention to bear on an area of equally great concern to virtually every Canadian, even if just for a day. I refer, of course, to the ever-growing crime rate and even, in many cases, to the very issue of life and death. The hon. member for Saint-Hyacinthe (Mr. Wagner) should be congratulated for bringing this matter before the House in such an eloquent manner.

The rate of criminal activity is increasing daily in our society and, quite simply, current methods of crime control are obviously not working. We find organized crime making giant inroads into every major city in this country. For example, in Toronto alone, organized crime is already well established from the loan sharking field to the narcotics trade. All resources of our police department are being utilized to the maximun and, despite this, we are falling behind in the race even to hold the line on the spread of organized crime in this country.

Of all criminal activities, the most infectious and dangerous is that of the narcotics trade. No one crime so destroys any individual. No one crime is more responsible for over-all criminal activity such as theft, breaking and entering, robbery, prostitution, and crimes of violence within the criminal community itself. For no one crime is it so difficult to convict the ringleaders. No one crime accounts for more police requirements than does this area of activity. Those criminals involved are the worst in our society, for they pick on the weak, the confused, the frustrated and the young, and they spread a disease worse than cancer, a disease that could not only ruin an individual but destroy our whole way of life.

As if this is not enough, we must consider the inroads being made by these traffickers in human misery among our children. Recent reports have indicated an increase in prostitution among 13 and 14 year old girls in an effort to feed their drug habits. In southern Ontario alone the growth of the illegal drug trade has been made painfully obvious by the huge quantities of drugs seized by police authorities. In addition, a number of illegal drug laboratories catering not only to the southern Ontario market but to the export market as well, have been uncovered. It becomes difficult, if not impossible, even to estimate the illicit drug market in this country, but several million dollars each day is not an exaggerated figure.

In spite of all this—in spite of the human misery and the increasing pressure on the police to combat the growth of this illegal drug activity, what do we find the government doing? Mr. Speaker, rather than increasing penalties for importing and trafficking in narcotics and attacking the problem head on, as New York State has done with its tough legislation, the Liberal government sounds out a policy of relaxation on such laws.

● (2140)

I for one would not hesitate to go as far as having trafficking in narcotics included as a capital offence. To touch on capital punishment, Mr. Speaker, when is the government going to have the backbone and guts to enforce the regulations regarding capital punishment already in existence? I refer of course to the killing of policemen and prison guards in the execution of their duty. The time has come to let the criminal element of this country know that the wanton slaying of those who uphold our laws shall be punishable with death. They should pay with their lives. We should set the example, not merely speak about it.

In addition, the parole system which has permitted convicted killers to come out of jail and kill again must no longer be tolerated. Similarly, maximum security institutions to which our hardened criminals have been sentenced must be administered by competent custodians, and not simple minded political hacks who apparently permit these killers to come and go as they please, as witnessed recently at St. Vincent de Paul penitentiary for the third or fourth time in as many years.

Organized Crime

Consider this headline in today's Toronto *Star*, "Escaped killer admits 2 more murders". Arthur Gagnier wrote an "Open Letter to Society", which was published in that newspaper. Gagnier, first convicted of murder at 17, admitted he has killed twice more since he escaped from prison in August. For how long will the government allow this situation to exist? If Gagnier is caught, will the capital punishment provisions of the Criminal Code come into effect? This has not happened in the past, and I doubt if the present government will insist on capital punishment being inflicted in these circumstances.

No killer has the right to inflict his presence on society after he has been sentenced for murder. For if he does, he is living proof that society has no desire to protect itself or protect those hired to protect lives and property. To let him back into society makes a mockery of the law, makes a mockery of those who enacted the legislation, and of those who elected the representatives who passed the legislation.

Another area in which organized crime has made major advances is that of money lending, more commonly known as loan-sharking. In Toronto this practice has led organized criminals to place more and more funds at the disposal of such money lenders. It is estimated that upwards of $100 million is on loan in the cities of Toronto and Montreal. This figure may not be large by itself; but consider the repayment plans. Commonly, 25 per cent is taken off the top of the loan; in addition, between 25 per cent and 50 per cent is charged on the balance each month.

Surely no one is so naïve as not to believe the stories of harassment, intimidation and physical injury which result from non-payment. There are many such examples in Toronto alone. Right now an individual in my city is missing and believed dead by the police because of non-repayment of his loan to loan sharks. It is time for new legislation which will bring these loan sharks to trial. Let us plug loopholes in the Criminal Code and in the Small Loans Act which permit the operations of loan sharks.

Many other areas of crime should come under investigation. For example, to what degree have labour unions been infiltrated by the underworld? To what extent has the laundering of dirty money through legitimate business enterprises been accomplished in this country? To what extent is organized crime manipulating our stock exchanges; and, most important, what can be done to turn the tide in favour of our law enforcement agencies?

Obviously although an increase in manpower would be an asset and greater budgets for technical improvement welcome, such action alone is not enough. Without the legal tools, and without the backing of our courts, we are tying the hands of those very organizations we expect to protect us. Civil liberties organizations demand more and more rights for criminals and are getting them, at the expense of the honest, hard working citizens of this country. They have obtained so much that it has become virtually impossible for police investigation officers to secure convictions in any but the most straightforward and simple cases. In retrospect I, for one, feel that the passage of the wiretapping bill was, in the words of Toronto Police Chief Harold Adamson, "a moment of joy throughout the criminal community". Investigations which might take long months of surveillance if a conviction is to be obtained will now be limited to a 90-day period. The hope of conviction in international conspiracies is virtually eliminated.

[Mr. Jelinek.]

It is my fervent wish that after this debate we shall see established a government committee which will present new meaningful legislation to equip crime fighting agencies throughout this country with better tools and more power to combat our ever increasing criminal element. Surely the time has come to declare this country's intention to afford safeguards and protection for its citizens.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I congratulate the mover of the motion, not for what he said in the motion but for the sentiments he expressed. He used to be known as a law and order judge, but in his speech he showed a breadth of sympathy which was refreshing. Let me say this, however: if we were sitting on a jury instead of in the House of Commons, we should be a hung jury. I am glad of the many changes in the law which we introduced in previous parliaments, because they certainly would not be introduced in the present parliament.

Almost everyone who participated in the debate was in favour of capital punishment for all sorts of offences. The last speaker included two or three that had not been mentioned previously. That is not the way to overcome society's difficulties. We, as legislators, must remember that we are not legislating for the present only; we are legislating for future generations. Many ideas expressed today were retrograde rather than progressive.

Little has been said about organized crime in general. An hon. lady spoke about drugs and suggested she knew more than some others about the subject. That may well be so. The hon. member for Saint-Hyacinthe (Mr. Wagner) suggested that we should look at the whole problem and decide how best to solve it. The best way may not be by sending people to jail. God knows, Canada has an unenviable record in sending people to jail. We have the largest jail population, in percentage terms, of any civilized country. If we do what some members suggest, we should need even more jails. Why, we could not even keep up with the Solicitor General (Mr. Allmand) who seems to think that the solution to our problems is more and bigger penitentiaries.

Mr. Baker (Grenville-Carleton): And letting criminals escape.

● (2150)

Mr. Peters: We have to let them escape because we can't build jails fast enough.

Some hon. Members: Hear, hear!

Mr. Peters: A few moments ago an hon. member was talking about the problem of alcohol. He talked of the relationship between the problem of alcohol and problems that affected the previous generation. Today alcohol is probably the major problem in the United States. More difficulties are caused by it than all the other drugs put together.

I am interested in what happened to the Minister of National Health and Welfare (Mr. Lalonde). Sam Bronfman is one of the most wealthy men in this world. He

owns Seagrams Distillery. That institution existed during prohibition. Immense profits were made in illegal rum running across the border between the United States and Canada. The Minister of National Health and Welfare should be looking at the problem of alcohol in this country instead of accepting a ride in a private plane owned by Seagrams Distillery.

Some hon. Members: Hear, hear!

An hon. Member: What is wrong with that?

Mr. Peters: Maybe there is nothing wrong with that, but it seems to me there is a hell of a lot that is not right with a minister who does not see anything wrong with it.

Some hon. Members: Hear, hear!

Mr. Peters: A lot has been said about drugs. I do not know much about them, but I do know some of the problems they have created. Youth today look at most adults as outsiders.

Mr. Baker (Grenville-Carleton): Squares.

Mr. Peters: Yes, squares, one of the reasons is that we have not looked at the Le Dain Report with a view to legalizing or removing marijuana from the penal code.

A few minutes ago a member talked about the RCMP. He stated how wonderful they are. In my opinion, Mr. Speaker, they are much like the Ontario Provincial Police who, over the years, have made their reputation tearing up and down the roads on weekends catching people speeding. Previously in this House I mentioned the problem where the RCMP broke into a woman's bathroom. That is what the RCMP, do Mr. Speaker.

What do they accomplish over a weekend? Two or three kids are caught drinking in a pub under age, and one or two kids are caught for personal possession of marijuana. Does that do anything for society? Does it help the situation?

I agree with the hon. member for Saint Hyacinthe. We have to look at the problem and we have to do it in a social sense. In the United States they have said that an addict is not sick. A doctor can no longer prescribe cocaine for his patients.

Great Britain had the same problem. They handled it in a different way. They decided these people could be helped medically. They introduced the registration of addicts, and began to treat them. There are many indications of the results in Great Britain. The crime rate in any major city on the North American continent indicates the results we have had.

Members of parliament should look at this problem in the social sense. For many years they have looked at it in a sense of punishment. That is totally unsatisfactory.

It is not the people on the street who are getting rich. The people who are getting rich are those in organized crime. Even though they are known to the police, they are untouchable. There is not a member of this House who does not know where money can be obtained from one of the crime fields in the drug industry.

We have not attacked this problem. We do not appear to be prepared to attack. I agree with the hon. member for Saint Hyacinthe that it is time wo looked at this problem. What are the social ills being caused by this problem? We must take steps to do something about this.

Policemen in this country are not highly respected. They do jobs that society will not support. Any police force which tries to enforce laws that society does not believe should be retained is not a satisfactory force. It does not have the support of the community.

It is time that we looked at some of the laws which allow organized crime to flourish. We must bring them into line with the thinking of society. Our police forces could then enforce laws that should be enforced. If we do that, we will not have the hang everybody attitude that most members in this debate have talked about. Members will stand up and say they are prepared to look at what society is now, and what the young people are saying. They will consider the most progressive thought possible. We will have legislation that will enable our police forces to operate in a community spirit, enforcing the laws that we make.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Penner): It being ten o'clock, it is my duty to inform the House that, pursuant to section 11 of Standing Order 58, the proceedings on the motion have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EXTERNAL AFFAIRS—REPRESENTATION OF PALESTINIANS AT GENEVA CONFERENCE—CANADIAN POSITION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, on November 1 I asked the Secretary of State for External Affairs (Mr. MacEachen) if it was now the opinion of the Canadian government that the Palestinian people should be represented at the Geneva Conference by the PLO. As I indicated in my question, my inquiry was based upon the fact that all the leaders of the Arab states, including His Majesty the King of Jordan, had, at the Rabat summit conference, agreed that the PLO should represent the Palestinian people. My question was also asked against the background of the statement of the Canadian government's point of view expressed by the minister, his predecessor, and the Prime Minister (Mr. Trudeau), to the effect that the Palestinian people should, in fact, be represented at Geneva.

For a long time I had been told that Canada would not prejudge the situation; that the parties involved would decide. I was a little surprised that the minister would reiterate this pat formula after the Rabat conference. If the Canadian government does not agree with the Arab leaders' choice, and apparently it does not or the reply to my question would have been in the affirmative, what group does the government believe should be there? King Hussein has accepted the PLO. Does Canada disagree with him?

I need hardly ask if the government of Canada desires the presence of those splinter Palestinian groups who oppose the PLO for its moderation. Does the government of Canada believe that the Palestinians should appropriately be represented at Geneva by the government of Israel? Putting it simply and directly, it is now a little late to proclaim our unwillingness to prejudge. Judgments of real significance have already been made and we do ourselves and the cause of peace no real good by protective phraseology.

● (2200)

I do not pose questions of this kind to embarrass the minister or the government, for, while I do not have a high regard for the latter, I have the utmost respect and esteem for the former. Rather, am I seeking to stimulate interest in this subject because I verily believe it to be one of the most serious and explosive issues facing the whole of mankind today. The Middle East, the cradle of our civilization, could also be the crucible of its destruction. Through timeless ages this small portion of the globe has heard the clashing of armies and witnessed the crashing of great civilizations. More than once in the last ten years in this House I have recalled fearfully that Armageddon, the prophetic point of no return for mankind, has its locale in the Middle East.

I hope Canada will be strong in the cause of moderation and firm in the exercise of wisdom. We are dealing with an area which has a sad and long record of bad faith, violence, super-power meddling and intense human suffering. It is not helpful now to recall that in the setting up of the state of Israel the U.N. violated one of its fundamental principles—adherence to the right of self-determination.

Nothing is gained, either, by noting that death-dealing raids on Lebanese civilians or Palestinian refugees are no less violent than raids on Israeli citizens within their country. Little is gained by recalling the Arab terrorist acts upon innocent airline passengers while forgetting or condoning the shooting down of a civil Libyan aircraft. Terrorism, violence, threats and intimidation are not the ingredients of settlement.

We must be realistic. It is as unwise as it is immoral to act as though there were no Palestine and no Palestinians. As that brilliant expert on the Middle East, Rabbi Slonim, put it recently: "Only the PLO can be dealt with politically; it is the only representation the Palestinians have. Treating it as though it were not just a monolith of irredeemable terrorists is worth a try."

These and similar counsels of wisdom are worth heeding. Let the Palestinians forsake the threat of some of their numbers to obliterate Israel. It is now a fact of life in the Middle East. On the other hand, if Israel desires peace—and no part of the region needs it more—let it recognize that its right to existence does not imply existence within borders of its own choosing.

[Mr. Macquarrie.]

As long ago as 1970, at a meeting of parliamentarians in Cairo, I was presumptuous enough to advise the friends of Palestine as to the unreality of any campaign to erase Israel. At the same time I expressed the view that Israel's borders were not a matter for unilateral decision by that internationally-created entity.

It is my hope that Canada, realistically, patiently and tirelessly, will work toward a day when co-existence will replace terrorism, and violence will give way to enlightened self-interest. I bring to my support a statement by a very great scholar, former President of the Hebrew university in Jerusalem, upon his resignation from the United Jewish Appeal because of its refusal to do anything about the Arab refugees. These are the words of Dr. Juda L. Magnes: "Peace can come only if Israel and Ishmael can feel that they are brothers."

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the hon. member for Hillsborough (Mr. Macquarrie) has made a number of important comments on the situation in the Middle East. His observations in the House are usually witty, perceptive and helpful. I shall certainly not have the time in the few minutes at my disposal to deal with the complex and delicate situation which prevails in the Middle East at the present time, or with the debates which have taken place at the United Nations General Assembly, particularly the debate to commence tomorrow on the Palestinian question.

The hon. gentleman has referred to the question of the representation of the Palestinians at the upcoming Middle East peace negotiations or discussions that will hopefully lead to a peace settlement. We as a government have taken the view that the Palestinian people ought to be represented at any discussions regarding a settlement in the Middle East. It is obvious that the Palestinians constitute an important party to a future settlement and therefore ought to be represented.

When the matter was put before the United Nations, in explaining our abstention we stated that it was not the intention of the Canadian government to prejudge what the form of that representation ought to be. I think this is an appropriate position for Canada to take. We have taken a fair-minded and objective approach to the Middle East situation, and we think we should leave it to the parties themselves to determine what form such representation ought to take.

It is true that at the Rabat summit conference the Arab countries, apparently with the concurrence of the King of Jordan, accepted the PLO as, in their view, the appropriate representative of the Palestinian people. That, of course, is a new factor in the situation.

Mr. Deputy Speaker: Order, please. I regret interrupting the minister but the time allotted him to reply has expired.

CONSUMER AFFAIRS—ALLEGED FAILURE OF POWDERED MILK PROCESSORS AND RETAILERS TO GIVE CONSUMERS BENEFIT OF SUBSIDY—GOVERNMENT ACTION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, on October 25 the Food Prices Review Board revealed that during the course of its regular monitoring inspections it found there were instances where the full benefit of the 24 cents per pound subsidy on skim milk powder was not being reflected in retail prices. This discovery was made in a number of stores in Vancouver, Victoria, Winnipeg, Sudbury and Montreal.

The board further indicated that it was not certain whether the retailers or the country's eight skim milk powder processing companies were at fault, and that it had therefore brought the matter to the attention of the agriculture ministry with a request that steps be taken to ensure that all processors and retailers of skim milk powder comply with the spirit and the letter of the subsidy program.

This revelation by the Food Prices Review Board prompted me to ask the Minister of Consumer and Corporate Affairs (Mr. Ouellet) on October 28 if he would reveal what steps were being taken by his department to recover the money which had been stolen from the public treasury. The minister replied that he would refer my remarks to the Director of Investigation and Research, who would take action in accordance with the provisions of the act. May I point out here that I firmly believe that this action on the part of the retailer or retailers involved was nothing less than fraudulent, nothing less than theft of public funds. We are talking about a government subsidy being paid to stabilize the price of skim milk powder at a reasonable price to the consumer. It is public money, and it belongs back in the pocket of the consumer.

The Retail Council of Canada disagrees with me. Let me quote from the Ottawa *Citizen* which recorded the remarks of the Retail Council spokesman, Mr. Smith. According to the *Citizen* he said this:

> Stores need not pass on to shoppers the federal subsidy of 24 cents a pound on skim milk powder. The council has advised grocery stores that they are not obliged to give consumers the subsidy. Mr. Smith said retailers have been told they "run the risk of a certain amount of government criticism" if they refuse to pass on the subsidy.

● (2210)

The *Citizen* went on to say that no law requires the retailers to let government subsidies influence pricing. Mr. Smith then went on to say that retailers have the right to make their own price decisions. That should give Canadians an idea of where the Retail Council stands on the subject of subsidies. What the Retail Council was in effect saying is that they can pocket the money Canadian taxpayers are contributing in an effort to lower the skim milk powder prices. This kind of logic is really ridiculous.

I am 100 per cent positive that not one Canadian consumer wants his tax dollar going into the bulging pockets of the retailers. I should think that the Minister of Agriculture (Mr. Whelan) and the Minister of Consumer and Corporate Affairs would have moved on the basis of this statement from the Retail Council. But no, apparently when the Canadian taxpayer provides a subsidy on a product we have to legislate a law that retailers cannot put that subsidy in their pockets.

Let us at this point review the course of action followed by the Minister of Agriculture and the Minister of Consumer and Corporate Affairs. First they embarked on an investigation, presumably to see if the Food Prices Review Board was telling the truth. They found that, and I quote from the Minister of Consumer and Corporate Affairs as reported in *Hansard* on October 30:

> The greater majority of retailers—with only one exception—have passed on the subsidy to consumers.

Apparently the Minister of Agriculture threatened to withdraw the subsidy if the retailer did not comply. I have no argument with that action, but again the logic is ridiculous. However the Minister of Consumer and Corporate Affairs entered into a type of negotiations with the retailer to the effect that: "If you, the retailer, who has been pocketing the taxpayer's money, will now reduce your prices on skim milk powder to an amount equivalent and for a length of time equivalent to that which you overcharged the consumer, then we will not tell the public your name."

Well, for heaven's sake, who does the minister think runs this country? Apparently he does not know, so for his information I should like to point out that taxpayers, the people of Canada, run this country, and they depend upon the minister to make sure their interests are protected. As the minister responsible for consumer affairs he has no darn business protecting the identity of that retailer. I want to know the name of the retailer who was ripping off the Canadian taxpayer and the Canadian consumer, because I do not want to shop there any more, and I bet my constituents do not want to shop there either. I can pick up the newspaper any day and read about the trial of any individual who is accused of wrongdoing. I hope that in his prepared reply the parliamentary secretary to the minister will tell me the name of the retailer who was pocketing the subsidy.

This situation has made it amply clear that the subsidy program as it is presently structured is far too open to ripoffs of the consumer by the retailer. Under its present structure the subsidy is administered by the Department of Agriculture, which pays the subsidy to the processor, who is then responsible for ensuring that the retailer does indeed give the consumer the benefit of such subsidy. If the processor discovers that the subsidy is not being passed on by the retailer, the onus is on the processor to cut off supplies of the subsidized material to the retailer. Then we have the Food Prices Review Board out watchdogging at public expense, and not having the power even to release the name of the culprit. It is fairly obvious that this Liberal subsidy program does not work for the consumer.

This brings me to my final point, Mr. Speaker. It is absolutely essential that we have a minister of consumer affairs whose purpose is to protect the consumer as he forages for his daily bread in the retail jungle. Indeed, this whole business of the minister being the minister for both consumer and corporate affairs reminds me of the biblical quotation from Matt. 6:24:

> No man can serve two masters: for either he will hate the one, and love the other; or else he will hold to the one, and despise the other.

To paraphrase, Mr. Speaker, the minister cannot serve the consumer and the companies.

Adjournment Debate

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, let me first of all state that, as the hon. member is aware, the responsibility for the skim milk subsidy program as such lies with the Department of Agriculture and not with the Department of Consumer and Corporate Affairs.

Secondly, as far as the government as a whole is concerned, it is a matter of record that the government not only hoped but fully intended that consumers would receive the full benefit of the subsidy. To this end the Department of Agriculture set up a monitoring program, and through this we know that some outlets have not consistently passed on the subsidy.

The Minister of Agriculture (Mr. Whelan) stated in the House on October 28 that his officials have held discussions with the dairy council and the Retail Council of Canada, and have informed non-conforming outlets that the subsidy will be withdrawn from them if it is not fully passed on.

The minister stated, as recorded at page 880 of *Hansard* for October 30:

> The latest report I have had came yesterday. Every retail outlet was passing this saving on to the consumers except for one, and yesterday they thought they would be doing it. I have not received a report on that this morning.

As reported at page 8 of the *Globe and Mail* of November 5:

> A supermarket chain has rolled back a price increase on skim milk powder in face of a Government threat to cut it out of the federal subsidy program. The chain has agreed to lower the price below the regular level by as much as it increased it, and to keep the lower price in effect for as long as it maintained the higher one.

There is no doubt that the Minister of Agriculture and the Minister of Consumer and Corporate Affairs know and understand the importance of these subsidies being passed on directly to the consumer. The Department of Agriculture has a monitoring program to ensure that that is done, and the Department of Consumer and Corporate Affairs, in the areas where subsidies are under our supervisory control, is doing precisely the same thing.

WEIGHTS AND MEASURES—METRIC SYSTEM—COMPENSATION TO SCHOOLS FOR COST OF CONVERSION

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to address my comments tonight to the matter of metric conversion. In 1970 parliament endorsed the white paper on metric conversion in Canada, and in June, 1971, the Metric Commission was established by order in council. Its major responsibility, within its terms of reference, was to prepare an over-all plan for conversion to the metric system. This responsibility, which was accepted by the federal government and directly transferred to the commission, is, to my mind, not being fully met by the commission at present, and all the ramifications of that conversion are not apparent to Canadians.

In a recent Gallup poll which was made public on November 2 of this year it was made evident that 62 per cent of Canadians who were questioned on whether or not they understood what the metric system meant said they understood the system. Yet when they were asked to explain what it was, only 33 per cent related it satisfactorily to the decimal system. It was this minimal knowledge which was regarded as satisfactory so far as the purposes of the poll were concerned.

At present we are faced with the actual conversion to the metric system, and the paramount question with which we are confronted is public education, not only education within our public schools at all levels but the education of the public at large, if the system is to work at all. I believe that the cost of this conversion will be astronomical, and I have not as yet seen anyone come up with a clearcut figure of what the conversion will cost.

However, I should like to point out three areas of which I can think immediately where the costs would have to be substantial. One would be the area of land titles. I believe the old ones will become obsolete because they do not have metric linear measurements. Another is highway signs, which are generally the responsibility of provincial governments. I have seen some changes taking place with regard to present mileage measurements. I believe that conversion will present a major cost. Lastly, we will have conversion in the public education system. A start will have to be made to educate people in the metric system.

We should also consider the cost which will have to be borne by an individual who is, let us say, working as an auto mechanic. He will have to buy another set of tools. Surely the government should give some consideration to a tax writeoff or concession to that individual because of the extra costs he will have to bear.

It is my belief that the federal responsibility with regard to the conversion is based on the fact that the federal government made a decision to convert to the metric system. This was the unanimous decision of the House of Commons, and I accept it. It should also be clear that the federal government has a responsibility in cost sharing for all metric conversion in areas where it has not previously taken financial responsibility because of provincial rights. An example of this is education. The Manitoba Association of School Trustees estimates that the cost of conversion for individuals in the academic stream in schools will be approximately $4 per pupil, and about $50 per pupil in the vocational schools.

● (2220)

If we accept that metric conversion is a federal responsibility then surely it is incumbent upon the government to announce, well in advance of conversion, what form of grants or assistance will be made available to public institutions such as school boards, to cover the costs of conversion. The school boards of Canada get their primary funds from local taxpayers, Mr. Speaker, so I believe it is incumbent upon the government to clarify what steps it will take to east the financial burden of metric conversion on such bodies.

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the policy of the government in regard to metric conversion was outlined in the White Paper on Metric Conversion laid before the House in January 1970, and approved by the leaders of all parties. Throughout this White Paper the analysis is based on the assumption that

the costs of conversion will be borne by those incurring them, just as the benefits flowing from conversion will accrue to the individual organization, either directly or through the general health of the economy.

This policy of costs being borne by those incurring them places pressure on the individual organization to apply to the problem of metric conversion, initiative and enterprise to minimize costs. In fact experience in countries such as Great Britain and Australia, which have followed this policy, confirms that conversion in individual firms has generally been achieved at substantially lower costs than were originally estimated.

In the case of education the responsibility for costs is in the jurisdiction of the provinces. Already work done by the task force of the Council of Ministers of Education indicates that, with imagination, initiative and ingenuity, costs can be kept down. Conversion is being phased in so that some advantage can be taken of obsolescence and the normal patterns of replacement.

To the extent that there may be, in some cases, an unreasonable burden placed on the budgets of individual school divisions this is primarily a responsibility of the province to meet. However, the benefits that the program of metric conversion will bring to the general health of the economy will be experienced by the provinces and to the same extent as by the federal government.

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Wednesday, November 13, 1974

The House met at 2 p.m.

[*English*]

MESSAGE FROM THE SENATE

Mr. Speaker: Order, please. I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-12, an act to amend the Immigration Act, to which the concurrence of this House is desired.

ROUTINE PROCEEDINGS

PRIVILEGE

REFERENCE TO REMARKS OF HON. MEMBER FOR NORTHUMBERLAND-DURHAM CONCERNING HOUSE OF COMMONS EMPLOYEES

Mr. Speaker: I have received notice of the remarks made in yesterday's debate and recorded in *Hansard* which, in the view of some hon. members, might give rise to a question of privilege. Following that, I received formal notice by some hon. members concerning the remarks of the hon. member for Northumberland-Durham (Mr. Lawrence).

On examining the remarks in order to understand the nature of the question of privilege, it appeared to me that they might be open to more than one interpretation. I understand the hon. member for Northumberland-Durham has indicated that his remarks have been misinterpreted and he would be pleased at this time to clarify any misinterpretations. If so, he would relieve the Chair of the burden of proceeding with any question relating to those remarks.

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, you have caught me breathless. I had hoped to hear the nature of the misinterpretations. I should say for your benefit, sir, and for the benefit of hon. members who were in touch with my office this morning, that according to my understanding most of the races have been cancelled today owing to weather conditions.

Apart from that, sir, I gather from what I heard in the House last night that one misinterpretation was the following: that somehow or other I had indicated that elevator operators, messengers and guards of this House were accepting bets or acting as bookies. Of course, nowhere did I say anything like that. What I did say was that as I am certainly aware, any hon. member must be naïve and out of touch with reality if he does not think organized crime has not reached Parliament Hill. It is a very easy matter for any member to find out where to place a bet. Certainly, that is the extent of what I said last night and what I repeat today.

Mr. Speaker: Order, please. As the hon. member has suggested that the incidence of this sort of thing is sufficiently commonplace for one to be able to inform oneself without going outside this building to learn where it is taking place, and as that is the sort of allegation which does not in any way reflect on criminal activity within the building—the interpretation that such activity does take place within the building being a totally different one—I suggest, in view of the clarification contained in the hon. member's remarks, that unless other members propose to give notice that those remarks constitute a question of privilege, I should not perhaps carry the matter any further at this time.

● (1410)

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, you did not hear the words as I did from the hon. member for Northumberland-Durham (Mr. Lawrence) when he said that organized crime had reached this House. Is he alleging that organized crime is taking place in this House?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The very purpose of raising this subject, of course, was to invite the hon. member to clarify that remark. I understand from his clarification, and I trust I am supported by other hon. members in it, that the existence of the sort of thing we were discussing in the debate yesterday is sufficiently commonplace. This is the suggestion and tenor of the hon. member's remarks, that one can inform oneself without going beyond the guards, and so on, but there is not an allegation of specific misconduct on their part. I think that is important. I think that is precisely the distinction the hon. member has brought to his clarification of this matter. With that in mind, I submit it is a perfectly proper comment that does not cast aspersions on the staff of this House. That is perfectly clear. If I misunderstand the hon. member, I am sure he will correct me.

Mr. Lawrence: Perfectly correct.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it was my hope that I would not feel compelled to rise on the basis of the—

An hon. Member: Don't feel compelled. Sit down.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I say again that it was my hope that I would not feel compelled to rise on the basis of the notice which I sent to Your Honour this morning of an intention to raise a

question of privilege on the basis of what was said in the House yesterday. Indeed, I listened with interest and attention to the remarks made just now by the hon. member for Northumberland-Durham (Mr. Lawrence) for I was hoping he would remove completely any cloud such as I think was created yesterday. I may say that some of the employees in this building, having heard reports on the radio this morning, have expressed their concern to me. Apart from that, may I say I would be satisfied not to pursue the matter any further, provided—

Some hon. Members: Good.

Mr. Knowles (Winnipeg North Centre): Just a minute. This matter is serious, very serious.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Apart from the fact that references were made to employees of this House who have no chance of replying, the hon. member twice yesterday made statements which are practically the same. I will quote both of them. On page 1242 of *Hansard* for yesterday, in the first column, about two-thirds of the way down, he is quoted as having said:

—ask our messenger service who or where the nearest bookie in this building is.

That is not just an assertion that you can get information from members of the staff of this House. That is an assertion that there is a bookie in this building. As recorded on page 1245 of *Hansard*, I raised a question of privilege, expressing the hope that the member would clarify the matter. He concluded his statement with these words, which are in the first column of page 1245:

If you ask them, they will tell you where the local bookie is for this floor in this building.

If the hon. member wants to clarify this whole matter, he should withdraw those statements about there being bookies in this building.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I have no hesitancy in saying that I came into this chamber this afternoon as far from being trigger-happy as I could possibly be, not wanting to raise a question of privilege of which I gave Your Honour notice as a form of protection. However, the hon. member has now said—and he can correct me if I do not get his words right—that organized crime has come to this building. He has not withdrawn the statement he made twice yesterday that there are bookies in this building.

I still think there is a question of privilege here. I do not know these things that he says we all know. Messengers have told me that they are not involved in what he says is available in the case of every messenger, and I accept their word. I submit that, as a member of parliament, my privileges are interfered with if I am operating in a place where things are going on which are illegal and which all of us here are alleged to be condoning. I feel very strongly that the hon. member for Northumberland-Durham should clarify the matter more adequately than he has so far. If he will simply say that those two statements about there being bookies in this building are statements made in the enthusiasm of debate, but which he is not able to back up, that, of course, will clear up the matter.

[Mr. Knowles (Winnipeg North Centre).]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I was not present during the debate yesterday, but the words used today by the hon. member do seem objectionable to me, and I support the House leader in this sense. The hon. member for Northumberland-Durham (Mr. Lawrence) said that organized crime had reached Parliament Hill. I am sure each member of the House would want to stand up and assert, as I do, that as far as I am aware it has not reached my office.

Some hon. Members: Oh, oh!

Mr. Trudeau: I hear laughter, Mr. Speaker. If the hon. member opposite wishes to clarify his statement, I would be glad to have information to the contrary because I would want to take strong action if such were the case.

Some hon. Members: Hear, hear!

Mr. Trudeau: If all members of the House wish to dissociate themselves from this statement, I imagine we are left in the position mentioned by the hon. member for Winnipeg North Centre (Mr. Knowles). But who is going to speak for the messengers and the others who cannot stand in this House and say that they are not the focus of organized crime? The hon. member leaves us with this dilemma, and I believe he should clarify his statement.

Some hon. Members: Hear, hear!

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, it is a great pleasure to stand in this House and, for perhaps the first time this session, hear the Prime Minister (Mr. Trudeau) volunteer to take action about something, because there has been precious little taken so far.

Some hon. Members: Order.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I intervened last evening to suggest at the time the question was initially raised by the hon. member for Winnipeg North Centre (Mr. Knowles), that there was some doubt as to whether the matter involved a question of privilege. Since that time I have had an opportunity to consider some authorities. I refer Your Honour to the seventeenth edition of May's, page 109, where the following appears:

It may be stated generally that any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as contempt even though there is no precedent of the offence.

The essence of a question of privilege, as I read that citation and citations 102 to 116 in Beauchesne's, is that privilege is a protection for members of the House and is not intended to limit in any way the things members can say in the House. There is a second point I wish to make. Even if a suggestion of this nature has been made, there is a question whether the persons about whom it was made are, in fact, officers of the House, in parliamentary terms. Frankly, Mr. Speaker, with the greatest respect for the

good staff which serves us in this place, and for motives about which I can only be suspicious, I think it is stretching things a bit to say that officers of the House, as referred to in the statements yesterday, could ever be implicated. As the right hon. Prime Minister said in his statement today, Your Honour is an officer of the House, just as is the Clerk of the House and the Sergeant-at-Arms.

● (1420)

I think the essence of the matter, first off, is that this is hardly a question of privilege. The hon. member for Winnipeg North Centre raised this matter last night in the course of debate, but having examined the authorities I would urge upon Your Honour consideration of those authorities and ask you to rule that this is not a question of privilege for the House, that no member's right is interfered with and that there is nothing here for the Chair to deal with except to turn down this question.

Mr. Speaker: Order, please. I welcome discussion of this subject by hon. members. I have some difficulty with every question of privilege, of course, and this one is no exception. What troubles me about this particular matter is not simply the question of privilege itself. It may, in fact, be possible to decide on the precedents and on the strength of the arguments presented to the Chair that in fact a question of privilege does not exist. Even a prima facie question of privilege may not exist.

However, the problem is more serious than that. The responsibility of the Chair, of course, is the provision of the staff and the supervision and running of the staff that serves the House of Commons. It is the Chair's responsibility to see that the staff performs its functions not only properly but that it is free of any kind of allegation that may be made against it. Therefore, whether or not a prima facie question of privilege exists, the Chair would have the responsibility of seeing, on the basis of an allegation of this sort—if this is the kind of allegation that has been suggested—that the matter be discussed, examined, investigated and reported upon in a very thorough and complete manner.

Accordingly, there seem to me to be two problems here. The first is whether a prima facie question of privilege exists. Then, even if it does not exist, the second and more serious problem is whether the allegations made by the hon. member have any substance to them. Both are very serious and important question and for this reason I was anxious that the hon. member be given the opportunity to clarify the intent of his remarks, so as to determine whether or not there is substance to a specific allegation of any criminal activity in this building.

If there is further discussion to be presented at this time, I propose to reserve my judgment as to whether or not a prima facie question of privilege exists in this matter and inform hon. members of my decision at a later date after further discussion, if such is forthcoming at the moment. In the circumstances, both the House and the Chair might be relieved of this burden if the hon. member for Northumberland-Durham wants to make it perfectly clear, either that he has no specific allegation of criminal activity in this building or, in the alternative, if he does have a specific allegation of criminal activity, that he is prepared to substantiate it.

Mr. Lawrence: Mr. Speaker, normally I do not need too much of an invitation to say anything, but certainly an invitation from you is almost like a command. If that is your desire, it is also mine and I would be very pleased to indicate that in no way did I mean—and if someone misinterpreted my words, I apologize right now—to reflect upon the probity or integrity of any of the staff, servants or agents of this House, or on you, sir. For that matter, I did not mean to reflect in any way even upon people in the public service. But apart altogether from this being a tempest in a teapot, I suggest members of the public are frequently in this building. Not all people who are in this building are members of the public service or agents of Your Honour. I think this should at least seep through the skulls of some people, if they are willing to talk about this subject.

I am merely saying, Mr. Speaker, that if you want to find out where criminal activity exists around here, it is not hard to do so. I say that, sir, on the basis of some friendships that I have made around here with the staff.

Some hon. Members: Oh, oh!

Mr. Lawrence: I mean that. There is absolutely nothing illegal, and there is absolutely nothing immoral involved. I am not attacking anyone's integrity. But I say again that I think it very unrealistic if members believe they cannot ask almost anyone in the corridor where this type of activity exists. That was the whole point of my remarks, to show how easily accessible and available is this type of information. In no way, I hope, am I attacking the integrity or the probity of any one of our servants. If any of them believe that, I apologize to them most sincerely.

Mr. Speaker: Order, please. The hon. member, having reaffirmed in the clearest possible terms the interpretation I had put on his words initially, at the invitation of some hon. members, I would submit that the matter has now been laid to rest as clearly as possible.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I ask Your Honour—

Mr. Speaker: Order, please. The hon. member has had one intervention already on this question. I should perhaps indicate again, as I did at the outset, that I will reserve judgment on whether there is a prima facie question of privilege, and give judgment at a later time.

* * *

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Third report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Kaplan.

[*Editors Note: For text of above report, see today's Votes and Proceedings.*]

Report on Peacekeeping Units

[*English*]

NATIONAL DEFENCE

STATEMENT OF MINISTER FOLLOWING VISIT TO PEACEKEEPING UNITS

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I should like to take this early opportunity since returning to Canada to report to the House on my trip to visit more than 2,000 members of the Canadian armed forces on peacekeeping duty in Cyprus and in the Middle East.

During the past few days I have been in Cyprus, where there are more than 900 Canadian military personnel; in Egypt, where we have more than 1,000 personnel; in Syria, where we have 29, and in Israel where there are approximately 170. In numerous conversations with members of the Canadian armed forces in these four countries, I found that generally speaking morale is high, and it is clearly evident that our personnel are convinced they are engaged in useful and worthwhile work. They are willing to undergo some of the difficult living conditions and the sacrifice of being separated from their families in order to perform the important task of peacekeeping.

In the United Nations Bolivar camp on the Golan Heights, where living and working conditions are the most difficult, I was encouraged to find that substantial progress is being made in the construction of new buildings and in the improvement of sanitation and living conditions.

Throughout the trip I found that, without exception, the political and military leaders in all four countries praised the work being done by the Canadian contingents of the United Nations forces. I do not want to over-state this matter, but I believe all members of the House would have been as pleased, and as proud, as I was to have heard some of the ways in which our Canadian personnel were described. The adjectives that were most frequently used were, that in carrying out their duties the Canadians are known to be impartial, competent and resourceful.

Some hon. Members: Hear, hear!

● (1430)

Mr. Richardson: In conversations with President Claerides and Vice-President Denktash in Cyprus, with the Deputy Premier and Minister of War of Egypt, Field Marshal Ismail, as well as with the Defence Minister of Syria, General Tlass, and the Defence Minister of Israel, Shimon Peres, I was left with no doubt whatsoever that the contribution Canada is making to peacekeeping is welcomed and is well received in each of these countries. There is no doubt at all in my mind that the presence of our forces is helping to provide the stability, and the relatively peaceful conditions, in which meaningful negotiations can take place.

I am pleased to be able to report, specifically, that within the next few days the United Nations will be recommencing flights between Beirut and Damascus, using Canadian Buffalo aircraft. From conversations with the Defence Minister of Syria and his senior officers, I am satisfied that the tragic loss of the United Nations Buffalo aircraft on this route last August was an accident regretted by all, and was not an aggressive act directed against the United Nations.

Last week our own aircraft flew over this same route to Damascus and I have been assured that all future flights of Canadian or United Nations aircraft will travel in safety as far as the Syrians are concerned. The recommencement of Buffalo aircraft flights from Beirut to Damascus will greatly assist in the adequate supply of the Canadian peacekeeping forces now living in the buffer zone on the Golan Heights.

As a result of several on-the-spot conversations which I had with Canadian servicemen, I now intend to examine the feasibility of establishing a Canadian leave centre where personnel serving in Cyprus, or in the Middle East, can spend their leave. Also, whenever appropriate transportation arrangements can be made, it is our hope that servicemen's wives will be able to travel to this leave centre.

One good location for a leave centre would be near the airfield at Akrotiri in the Greek-Cypriot town of Limassol.

Mr. Nowlan: Why don't you be the first one to go there?

Mr. Richardson: I have just been there. We will have this location, as well as others, under consideration. It should be pointed out that this will not involve any capital expenditure—

Mr. Forrestall: You spent it all on Winnipeg.

Some hon. Members: Hear, hear!

Mr. Richardson: —but can be achieved by negotiating the use of hotel accommodation as required at a suitable location.

I would also like to report to the House that in our peacekeeping operations we have been particularly fortunate in the quality of leadership that we have had in the Canadian contingents of the United Nations forces. Brigadier-General Clay Beattie in Cyprus, and Brigadier-General Don Holmes in Egypt, each in his own way, have brought credit to themselves and to Canada by the resourceful and competent leadership that they are providing.

Some hon. Members: Hear, hear!

Mr. Richardson: In conclusion, Mr. Speaker, I should not fail to mention that in each of the countries visited the expression of friendship for Canada went far beyond admiration for our peacekeeping forces. The political and military leaders in these countries, without exception, expressed a desire to have closer relations with our country in trade and travel, and in other ways. These matters belong, to a large extent, to other departments, but I would be remiss if I did not report the genuine friendship for Canada that was clearly and frequently expressed by the leaders and the people of each country we visited.

As is the case with almost every Canadian who travels overseas, I found that there is a great reservoir of goodwill for Canada and for Canadians, and I have come home convinced that this measure of goodwill is being enlarged by the members of the Canadian armed forces who are

serving Canada, and the world community, on peacekeeping duty.

Some hon. Members: Hear, hear!

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HOUSE OF COMMONS

PRESENCE IN THE GALLERY OF GENERAL ANDREW GOODPASTER

Mr. Speaker: Order, please. Following the minister's remarks, and before recognizing opposition spokesmen, this might be an appropriate moment to call attention to the presence in the gallery of a very distinguished visitor, General Andrew Goodpaster, retiring Supreme Allied Commander of our forces in Europe.

Some hon. Members: Hear, hear!

Mr. Speaker: General Goodpaster is accompanied by the Chief of Canadian Defence Forces, General James Dextraze. General Goodpaster's excellent record in commanding the armed forces in Europe is well known and certainly I am sure members of this House will want me, on their behalf, to convey their very best wishes on his retirement.

Some hon. Members: Hear, hear!

* * *

NATIONAL DEFENCE

STATEMENT OF MINISTER FOLLOWING VISIT TO PEACEKEEPING UNITS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I want to express the usual thanks to the minister for having made available at an early point a copy of his statement so that it might be reviewed by us before we make our comments in reply thereto. I appreciate these courtesies which make our work a little easier. Members of the House have just heard, and I trust with some alarm, the amazing statement of the Minister of National Defence (Mr. Richardson). One could not help but believe that all is well and rosy within the Canadian armed forces. We welcome the minister's statement to the effect that our forces are doing well and are well received in the Middle East in respect of the two particular assignments with the United Nations. Indeed, there is not a member of this House who does not appreciate the ability of the Canadian forces under such conditions, and their ability to come through very strong and do their job very well.

The minimum statement that was expected by this House, and I think by the Canadian people, had nothing to do with whether or not we are loved over there, but rather with whether or not we are able to fulfil the mandate given us and the responsibility we have over there, or whether or not we will withdraw troops from Cyprus. Why did the minister not bother to tell us more about the progress of negotiations on that torn island so that we might better understand the commitment we are asking the Canadian people and the Canadian forces to make in that area. This is what we expected as a minimum. The minister mentioned—and there was reference to this in the Canadian Press and the minister referred to it today—that he was there to see whether or not we should pull back troops. We expected him to say today either that he is satisfied with the work being done there and will leave them there or that he will bring some of these forces home.

Why could we not have had a response to questions such as these? These questions concern not only us but also our allies and partners within this joint venture in peacekeeping. It is very meaningful and very serious work. The House is no better informed now than it was the day before the minister went to the Middle East. I am sure we all welcome the fact that he did make this visit. I had hoped that he would have had the courtesy to invite some members from other sectors of this House to make this visit, then we might have had a balanced view and a little bit of hard news about the facts.

● (1440)

There are just one or two other brief comments I should like to make, Mr. Speaker. Our concern, of course, arises out of financing restrictions, lowering force levels, and the fact that it takes five or six men to keep one man in an operational situation. Our concern also is that we do not have the money to logistically support these people and to adequately support rotation. In other words, we cannot perform the multiple tasks assigned in the 1970 White Paper, so it is unrealistic for the minister to stand in this House and make out that all is well. In fact, Mr. Speaker, the armed forces are getting damned sick of the situation. There are very real problems in peacekeeping and we thought that the minister might have dealt with some of them today. We wanted to know what the hopes are for a settlement in these areas but we did not hear anything about that.

I hope that the Prime Minister (Mr. Trudeau) might take an early opportunity to meet with the minister and insist on the production of a White Paper which would clearly set out our requirements for national sovereignty, our international responsibilities and the priorities of our peacekeeping role, as well as the multiple taskings that cause difficulties in meeting commitments at home.

With respect to national sovereignty, I hope that the Prime Minister would urge the Minister of National Defence (Mr. Richardson) to prepare a statement at the earliest possible moment with respect to the armed forces which would reflect the very desperate situation in which the Canadian armed forces find themselves today.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, on behalf of this party I should like to welcome the Minister of National Defence (Mr. Richardson) back to this House. I should like to congratulate him on his initiative in travelling to the Middle East to encourage our troops and foster what looks like pretty good morale.

I can understand the minister's reluctance to invite an all-party contingent to accompany him. The hon. member for Dartmouth-Halifax East (Mr. Forrestall) indicated some disappointment about this, but members may recall that the last time the minister offered to make it an all-party trip the visit was to Viet Nam. The hon. member for Dartmouth-Halifax East did not see fit to take advan-

tage of that invitation, so I can understand the minister being a little reluctant to make the offer this time.

Some hon. Members: Hear, hear!

Mr. Forrestall: Mr. Speaker, a question of privilege.

Mr. Speaker: Order, please. The hon. member for Dartmouth-Halifax East (Mr. Forrestall) on a question of privilege.

Mr. Forrestall: Mr. Speaker, I want to make it quite clear that I was not invited to Viet Nam.

Mr. Leggatt: Mr. Speaker, I do want to associate myself with the remarks of the hon. member for Dartmouth-Halifax East however, by saying that what we had today was a motherhood statement. It brings very little information to this House about the real problem we are facing in the Middle East. Canada, with justice, has been very proud of the role our peacekeeping forces have played. We are not a major power, not a power with territorial ambition. Our role is very important and is one which this party has supported for a very long time and will continue to support.

I think it is time, however, that we reassessed the peacekeeping role that our forces are playing. The ad hoc financing of Canadian forces is simply not satisfactory. It is time that we had decent backup from the United Nations for our forces.

Mr. Fraser: Hear, hear!

Mr. Leggatt: It is high time that this government raised this issue in a vigorous manner in the councils of the world and particularly in the United Nations. When our forces are in positions of high risk there is a lack of international support. I can only refer the House to the actions of Gamal Abdal Nasser when our forces were unilaterally ordered out of the Middle East, which action contributed to that war, and the Turkish attitude toward our forces in Cyprus which leaves a lot to be desired and to some extent is disgraceful. We must keep in mind that an attack on Canadian forces in the Middle East is an attack on the United Nations and on the world forces of order. Mr. Speaker, we are just not getting the kind of backup support from the United Nations that we should be getting.

I think we should look again at our basic role, Mr. Speaker, and ask if we are really peacekeepers or merely observers? It is time that we moved to the next stage in peacekeeping, a stage that would give some muscle to peacekeeping. It is time the world imposed sanctions on those nations that see fit to attack peacekeeping forces, and that is the kind of support we must have if the United Nations, indeed the world, is to survive.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, before making my remarks, I would like to tell the hon. Minister of National Defence (Mr. Richardson) that I am unfortunately unable to pay him the same compliments as the hon. member for Dartmouth-Halifax East (Mr. Forrestall) since the French translation of his statement reached us only at 2.35 p.m. I would to point out that we should like to have the French version of his statements at the same time as all other members.

First of all, Mr. Speaker, I am happy to see that the minister is in great shape after such a hard trip, both physically and morally.

Moreover, I am happy to hear him say that the morale of our soldiers seems very good, but I would rather see them back among us.

Mr. Speaker, we have always provided help for foreign countries and we have also tried to further peace and goodwill through pacific negotiations.

The Canadian participation in the peacekeeping force does not have for its only objective successful negotiations between the conflicting parties. Mr. Speaker, it must ensure that a stable peace is enforced between all the nations of the world.

We shall continue to assert our availability and our wish to serve peace wherever we shall be asked to do so and wherever we may be useful.

Mr. Speaker, I am very glad that the wives of our soldiers will be able to visit their husbands. I am certain that this will be very helpful to our Canadian forces.

I would like to note, Mr. Speaker, that a young soldier from my constituency died recently in Cyprus in the defence of peace. It is sad that such things can happen, but the role played by Canada in protecting the peace is essential.

Mr. Speaker, our most sincere desire is that the conflicts between Cyprus and Turkey come to an end as soon as possible.

[*English*]

Mr. Clark (Rocky Mountain): A point of order, Mr. Speaker. Before leaving this stage may I ask if the Minister of National Health and Welfare (Mr. Lalonde) intends to make a report on his visit to Israel which was described in this House yesterday as an official visit.

Mr. Speaker: Order, please. Motions. The hon. member for Central Nova (Mr. MacKay).

EQUIPPING OF VEHICLES WITH PROPER TIRES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise pursuant to Standing Order 43 on a matter of urgent and pressing necessity involving the armed forces of our country: It has been brought to my attention that the 2nd Battalion of the Royal Canadian Regiment, while proceeding to Camp Aldershot, Nova Scotia from Camp Gagetown, New Brunswick, on October 22, to participate in a training exercise, was delayed for a day en route because the four-wheel drive military vehicles carrying the troops were not equipped with proper tires for snow conditions.

● (1450)

I therefore move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That the Minister of National Defence take immediate steps to equip all our military motor vehicles with modern radial steel-belted tires with all-weather treads, so that, as obsolete as some of our armed forces vehicles may be, at least they will have proper tires to assure their mobility during varying highway and weather conditions.

Mr. Speaker: Order, please. The House has heard the terms of the motion. As it has been proposed pursuant to Standing Order 43, it cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be debated at this time.

* * *

MANPOWER

POLITICAL CONSIDERATIONS IN AWARDING LOCAL INITIATIVES GRANTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43. I wish to ask unanimous consent of the House to move a motion of urgent and pressing necessity, particularly in view of charges in the press made yesterday and attributed to senior public servants. I would therefore, move, seconded by the hon. member for Provencher (Mr. Epp):

That the Minister of Manpower and Immigration be requested to make a detailed statement to the House disclosing whether or not political considerations on behalf of the Liberal party have been involved in the awarding of Local Initiatives Program grants in recent years and if so that the minister include in his report full details of such political considerations and that the minister advise the House what steps the government will take to prevent recurrence in the future.

Mr. Speaker: The House has heard the motion proposed pursuant to Standing Order 43, which cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be debated at this time.

* * *

TRADE

SUGGESTED COMMITTEE STUDY OF TARIFFS ON TELEVISION SETS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I rise under the provisions of Standing Order 43, on a matter of urgent and pressing necessity, namely, the announcement this week that RCA Limited in Prescott will lay off close to 120 hourly rated employees this week-end, with perhaps more to follow, by reason of the increased volume of imports of foreign colour television sets into Canada. I move, seconded by the hon. member for Elgin (Mr. Wise):

That the matter of lay-offs at RCA Limited in Prescott and other manufacturers and the question of tariffs on imported television sets be referred to the Standing Committee on Finance, Trade and Economic Affairs for examination and review.

Mr. Speaker: The House has heard the motion which, being proposed pursuant to Standing Order 43, cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put at this time.

[*Translation*]

SUGGESTION CANADA BUY SUGAR FROM EUROPEAN ECONOMIC COMMUNITY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, pursuant to the terms of Standing Order 43, I request the unanimous consent of the House to present a most important and urgent motion.

In view of the constant rise in the consumer price of sugar, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House discuss immediately the possibility for the Canadian government of obtaining its sugar supplies from the European Economic Community instead of on world markets, as it now does, and that it look into the possibility of signing long term agreements with a producing country so that Canadians might be offered sugar at reasonable price.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

NATIONAL DEFENCE

EFFECT OF FINANCIAL RESTRAINTS ON ABILITY OF ARMED FORCES TO FUNCTION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, for the second time in nine years I wish to bring before the House a matter of urgent and pressing necessity dealing with the now near absolute inability of the Canadian Armed Forces to function within the financial and manpower restrictions laid upon them by this government. I would move, seconded by the hon. member for Annapolis Valley (Mr. Nowlan):

Canada Elections Act

That this House call upon the Prime Minister of Canada to instruct the Minister of National Defence to produce a White Paper on national defence setting forth the priorities and roles within these priorities, setting forth the clear intention of this government with respect to capital equipment renewal programs, projected manpower levels, and clearly setting forth Canada's determinations with respect to national sovereignty, NATO, NORAD, other Canadian/U.S. arrangements, and all other matters that have been rendered uncertain due to the current financial restraints.

Mr. Speaker: The House has heard the terms of the motion proposed pursuant to Standing Order 43. It requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Accordingly, it cannot be debated at this time.

* * *

CANADA ELECTIONS ACT

AMENDMENT CONCERNING USE OF CONTRIBUTIONS

Mr. Mark MacGuigan (Parliamentary Secretary to the Minister of Labour) moved for leave to introduce Bill C-362, to amend the Canada Elections Act (use of contributions).

An hon. Member: Explain.

Mr. MacGuigan: Mr. Speaker, the purpose of this bill is to amend the Canada Elections Act, to restrict expenditures from funds obtained under it to the activities of a party in its federal capacity. In my view, such a limitation was already clearly parliament's intention in the recent legislation on election expenses, but the New Democratic Party has chosen to take advantage of the letter rather than the spirit and clear intention of the law. This bill would prevent such an abuse of the act.

Some hon. Members: Oh, oh!

Mr. Stanfield: On a point of order, Mr. Speaker, I seriously think that members should consider that a statement made on the first reading of a bill is permitted as a courtesy. The bill is not debatable at this stage and I seriously question whether it is in order, let alone in good taste, for a member in this context to attack another party in the House.

Some hon. Members: Hear, hear!

Motion agreed to, bill read the first time and ordered to be printed.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[Mr. Forrestall.]

[*Text*]

VANCOUVER INTERNATIONAL AIRPORT

Question No. 5—**Mr. Reynolds:**

1. How many complaints in writing, or by phone, has the government, or any of its agencies, received regarding noise at the Vancouver International Airport?

2. Has the government a special phone to receive complaints regarding the Vancouver International Airport and, if so, what is the phone number, what are the hours of operation and how long has it been in service?

3. Have any extensions to leases been granted to Sea Island on expropriated land past July 31, 1974 and, if so, to whom and for how long?

4. Can the Minister advise why his two key advisers, Mr. Inglis and Mr. Wolfe, were absent from the Greater Vancouver Regional District Community meeting regarding the Airport expansion held on March 18 at 8.00 p.m. at the Richmond Inn in Richmond, British Columbia?

Hon. Jean Marchand (Minister of Transport): 1. Since September 1970, 1,279 telephone complaints have been received on noise at Vancouver and Abbotsford Airports, Vancouver Harbour and flights over Vancouver City.

2. Yes. Telephone number 666-3477, a recorded line, is available 24 hours per day, seven days per week. This recording system was put into service on April 18, 1974.

3. No.

4. Messrs. Inglis and Wolfe did not attend the March 28 meeting as they have no direct involvement in airport planning. The Ministry was represented by planning officials.

———

NOTE: There was no meeting on March 18.

APPOINTMENTS UNDER PUBLIC SERVICE ADMINISTRATION ACT TO BILINGUAL POSITIONS

Question No. 72—**Mr. Francis:**

Since June 25, 1972, of all appointments made under the Public Service Employment Act, delegated and non-delegated, to all positions identified as bilingual, how many of the successful candidates were qualified as bilingual at the time of appointment and how many were unilingual?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: The Public Service Employment Act does not provide for the appointment of unilingual persons to bilingual positions. However, following the Parliamentary Resolution on Official Languages through an Order-in-Council and related regulations (Order-in-Council P.C. 1973-1949) pursuant to the exclusion provisions of the Public Service Employment Act (section 39), the Commission was empowered to make appointments of unilinguals to bilingual positions under certain prescribed circumstances. Since the issuing of the Order-in-Council in question, (July 6, 1973) 869 (12 per cent) appointments of unilingual persons to bilingual positions were made by departments under delegation of the Commission's authority, and 847 (20.5 per cent) appointments of unilingual persons were made by the Commission itself. For the same period, 6,968 appointments of bilingual persons to bilingual positions were made by departments under delegation, and 4,113 were made by the Commission itself.

CANADIAN PENSION COMMISSION APPLICATIONS

Question No. 113—**Mr. Marshall:**

1. As of September 30, 1974, how many claims for disability pensions were on hand and, of these, how many were (a) over three years old (b) two years old (c) a year old (d) nine months old (e) six months old?

2. As of September 30, 1974, how many claims were outstanding for First World War Veterans?

3. What was the number of First World War Veterans residing (a) in Canada (b) outside of Canada as of September 30, 1974?

4. What was the death rate of veterans during each year 1970 to 1974 to date?

5. How many applications were received by the Canadian Pension Commission from September 1973 to September 1974?

6. (a) Of the number adjudicated upon, how many were resolved (i) in favour of (ii) against the veteran (b) as of September 1974, how many applications were still on hand?

7. Of the 8,708 applications for pensions on hand in September 1973, how many of these were still on hand in September 1974?

8. What is the average cost to process an application for pension from date of application to final adjudication?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Five thousand nine hundred twenty (disability claims): (a) None. (b) 3; (c) 1,211; (d) No statistics are kept at the nine month period however 1,929 were ten months old or more; (e) No statistics are kept at the six month period however 3,887 were five months old or more.

2. Statistics of outstanding claims are not kept by periods of service.

3. Estimated from the 1971 Census and disability pension statistics: (a) 91,800; (b) 5,300.

4. Estimated death rate: 1970, 1.7 per cent; 1971, 1.8 per cent; 1972, 1.9 per cent; 1973, 2.0 per cent; 1974, 2.1 per cent.

5. From August 24, 1973 to August 23, 1974, 8,175 (disability and death claims).

6. (a) Of the 10,499 applications (disability and death claims) adjudicated upon from August 24, 1973 to September 23, 1974: (i) 42.5 per cent; (ii) 57.5 per cent. (b) 6,068.

7. There were 8,708 applications (disability and death claims) on hand as of September 24, 1973. A further 7,859 applications were received in the year ending September 24, 1974. Of this total of 16,567, 1,216 which were more than one year old were still on hand.

8. Statistics are not kept in a form that would enable the provision of an accurate answer to this question.

WIVES ACCOMPANYING MEMBERS OF PARLIAMENT ON OFFICIAL DELEGATIONS

Question No. 122—**Mr. Herbert:**

Will the Secretary of State for External Affairs, by extending official invitations, give recognition to the valuable contribution made by a spouse accompanying a Member of Parliament who represents his or her country as a member of an official delegation?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): The Secretary of State for External Affairs recognizes the value, on appropriate occasions, of Members of Parliament being accompanied by their spouses when representing Canada on an official delegation. The appropriateness of issuing invitations to spouses would depend on the nature of the delegation's objectives and activities and on the wishes of the host country, institution or international organization.

DEPARTMENT OF EXTERNAL AFFAIRS PERSONNEL IN RECEIPT OF REMUNERATION IN EXCESS OF $20,000

Question No. 127—**Mr. Herbert:**

How many public servants in the Department of External Affairs received T4 slips for 1973 showing gross remuneration in excess of (a) $20,000 (b) $30,000 (c) $40,000?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): (a) 212; (b) 73; (c) One.

DEPARTMENT OF SECRETARY OF STATE PERSONNEL IN RECEIPT OF REMUNERATION IN EXCESS OF $20,000

Question No. 130—**Mr. Herbert:**

How many public servants in the Department of the Secretary of State received T4 slips for 1973 showing gross remuneration in excess of (a) $20,000 (b) $30,000 (c) $40,000?

Hon. James Hugh Faulkner (Secretary of State): (a) 112; (b) Eight; (c) One.

DEPARTMENT OF MINISTER OF STATE FOR URBAN AFFAIRS PERSONNEL IN RECEIPT OF REMUNERATION IN EXCESS OF $20,000

Question No. 132—**Mr. Herbert:**

How many public servants in the Ministry of State for Urban Affairs received T4 slips for 1973 showing gross remuneration in excess of (a) $20,000 (b) $30,000 (c) $40,000?

Hon. Barney Danson (Minister of State for Urban Affairs): (a) 31; (b) Four; (c) nil.

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS PERSONNEL IN RECEIPT OF REMUNERATION IN EXCESS OF $20,000

Question No. 138—**Mr. Herbert:**

How many public servants in the Department of Consumer and Corporate Affairs received T4 slips for 1973 showing gross remuneration in excess of (a) $20,000 (b) $30,000 (c) $40,000?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): (a) 97; (b) 14; (c) One.

DEPARTMENT OF JUSTICE PERSONNEL IN RECEIPT OF REMUNERATION IN EXCESS OF $20,000

Question No. 141—**Mr. Herbert:**

How many public servants in the Department of Justice received T4 slips for 1973 showing gross remuneration in excess of (a) $20,000 (b) $30,000 (c) $40,000?

Hon. Otto E. Lang (Minister of Justice): (a) 328; (b) 269; (c) 34.

Order Paper Questions

DEPARTMENT OF TRANSPORT PERSONNEL IN RECEIPT OF REMUNERATION IN EXCESS OF $20,000

Question No. 144—**Mr. Herbert:**

How many public servants in the Department of Transport received T4 slips for 1973 showing gross remuneration in excess of (a)$20,000 (b) $30,000 (c) $40,000?

Hon. Jean Marchand (Minister of Transport): (a) 732; (b) 27; (c) Three.

MONEY SPENT BY INFORMATION CANADA

Question No. 162—**Mr. Hnatyshyn:**

1. How much money was spent by Information Canada during (a) 1971 (b) 1972 (c) 1973 (d) the first six months of 1974?

2. How much money is to be allotted to Information Canada for the years (a) 1975 (b) 1976?

Hon. John C. Munro (Minister of Labour): In so far as Information Canada is concerned, the answers are as follows: 1. (a) 1971-72, $8,101,568.58; (b) 1972-73, $9,058,875.72; (c) 1973-74, $10,966,153.46; (d) 1974-75, $2,875,872.74.

2. (a) 1975-76, Main Estimates not yet approved; (b) 1976-77, Unknown.

PAROLE STAFF POSITIONS—MANITOBA, 1972-73

Question No. 164—**Mr. Orlikow:**

1. How many parole staff (positions) were there in Manitoba for the year 1972-73?

2. How much did it cost to maintain each position on the average?

3. How much was the total annual budget of the two National Parole Service Offices in Manitoba (including staffing) for 1972-73?

4. How many cases did the parole staff have under their supervision in Manitoba for 1972-73?

5. How many cases did the John Howard Society of Manitoba have under its supervision in 1972-73?

6. What was the parole grant to the John Howard Society of Manitoba for 1972-73?

Hon. Warren Allmand (Solicitor General): 1. Eighteen.

2. $12,616.

3. Budgeting for Parole Board offices is centralized and therefore figures on a provincial basis are not available.

4. Two thousand one hundred sixty-two.

5. One thousand one hundred fifty-seven.

6. $43,630.

———

NOTES: 1(a) Parts 4 and 5, System in the process of amendment and past records give figures on a calendar year basis. 1(b) Parts 4 and 5, Figures shown represent man-months of supervision, not individual cases. 2. Part 6, The National Parole Board does not make grants to aftercare agencies. The amount shown was paid on a fee for services rendered basis.

PAROLE STAFF POSITIONS—SASKATCHEWAN, 1972-73

Question No. 165—**Mr. Orlikow:**

1. How many parole staff (positions) were there in Saskatchewan for the year 1972-73?

2. How much did it cost to maintain each position on the average?

[Mr. Lang.]

3. How much was the total annual budget of the two National Parole Service Offices in Saskatchewan (including staffing) for 1972-73?

4. How many cases did the parole staff have under their supervision in Saskatchewan for 1972-73?

5. How many cases did the John Howard Society of Saskatchewan have under its supervision in 1972-73?

6. What was the parole grant to the John Howard Society of Saskatchewan for 1972-73?

Hon. Warren Allmand (Solicitor General): 1. Eleven.

2. $14,139.

3. Budgeting for Parole Board offices is centralized and therefore figures on a provincial basis are not available.

4. One thousand one hundred fifteen.

5. Six hundred seventy-eight.

6. $27,365.

———

NOTES: 1(a) Parts 4 and 5, System in the process of amendment and past records give figures on a calendar year basis. 1(b) Parts 4 and 5, Figures shown represent man-months of supervision, not individual cases. 2. Part 6, The National Parole Board does not make grants to aftercare agencies. The amount shown was paid on a fee for services rendered basis.

PAROLE STAFF POSITIONS—ALBERTA, 1972-73

Question No. 166—**Mr. Orlikow:**

1. How many parole staff (positions) were there in Alberta for the year 1972-73?

2. How much did it cost to maintain each position on the average?

3. How much was the total annual budget of the two National Parole Service Offices in Alberta (including staffing) for 1972-73?

4. How many cases did the parole staff have under their supervision in Alberta for 1972-73?

5. How many cases did the John Howard Society of Alberta have under its supervision in 1972-73?

6. What was the parole grant to the John Howard Society of Alberta for 1972-73?

Hon. Warren Allmand (Solicitor General): 1. Nineteen.

2. $13,393.

3. Budgeting for Parole Board offices is centralized and therefore figures on a provincial basis are not available.

4. Two thousand five hundred seventy-one.

5. One thousand fifty-four.

6. $48,625.

———

NOTES: 1(a) Parts 4 and 5, System in the process of amendment and past records give figures on a calendar year basis. 1(b) Parts 4 and 5, Figures shown represent man-months of supervision, not individual cases. 2. Part 6, The National Parole Board does not make grants to aftercare agencies. The amount shown was paid on a fee for services rendered basis.

PAROLE STAFF POSITIONS—BRITISH COLUMBIA, 1972-73

Question No. 167—**Mr. Orlikow:**

1. How many parole staff (positions) were there in British Columbia for the year 1972-73?

2. How much did it cost to maintain each position on the average?

3. How much was the total annual budget of the two National Parole Service Offices in British Columbia (including staffing) for 1972-73?

4. How many cases did the parole staff have under their supervision in British Columbia for 1972-73?

5. How many cases did the John Howard Society of British Columbia have under its supervision in 1972-73?

6. What was the parole grant to the John Howard Society of British Columbia for 1972-73?

Hon. Warren Allmand (Solicitor General): 1. Thirty-three.

2. $13,980.

3. Budgeting for Parole Board offices is centralized and therefore figures on a provincial basis are not available.

4. Two thousand five hundred seventy-one.

5. Four hundred ninety-two.

6. John Howard Society of British Columbia, $37,490; John Howard Society of Vancouver Island, $5,555.

———

NOTES: 1(a) Parts 4 and 5, System in the process of amendment and past records give figures on a calendar basis. 1(b) Parts 4 and 5, Figures shown represent man-months of supervision, not individual cases. 1(c) Part 5, Combined figure of both the John Howard Society of British Columbia and the John Howard Society of Vancouver Island. 2. Part 6, The National Parole Board does not make grants to aftercare agencies. The amount shown was paid on a fee for service basis.

PAROLE STAFF POSITIONS—QUEBEC, 1972-73

Question No. 168—**Mr. Orlikow:**

1. How many parole staff (positions) were there in Quebec for the year 1972-73?

2. How much did it cost to maintain each position on the average?

3. How much was the total annual budget of the two National Parole Service Offices in Quebec (including staffing) for 1972-73?

4. How many cases did the parole staff have under their supervision in Quebec for 1972-73?

5. How many cases did the John Howard Society of Quebec have under its supervision in 1972-73?

6. What was the parole grant to the John Howard Society of Quebec for 1972-73?

Hon. Warren Allmand (Solicitor General): 1. Fifty-five.

2. $13,741.

3. Budgeting for Parole Board offices is centralized and therefore figures on a provincial basis are not available.

4. Nine thousand eight hundred forty-one.

5. Two thousand fifty-four.

6. $70,270.

———

NOTES: 1(a) Parts 4 and 5, System in the process of amendment and past records give figures on a calendar year basis. 1(b) Parts 4 and 5, Figures shown represent man-months of supervision, not individual cases. 2. Part 6, The National Parole Board does not make grants to aftercare agencies. The amount shown was paid on a fee for services rendered basis.

PAROLE STAFF POSITIONS—NOVA SCOTIA, 1972-73

Question No. 169—**Mr. Orlikow:**

1. How many parole staff (positions) were there in Nova Scotia for the year 1972-73?

2. How much did it cost to maintain each position on the average?

3. How much was the total annual budget of the two National Parole Service Offices in Nova Scotia (including staffing) for 1972-73?

4. How many cases did the parole staff have under their supervision in Nova Scotia for 1972-73?

5. How many cases did the John Howard Society of Nova Scotia have under its supervision in 1972-73?

6. What was the parole grant to the John Howard Society of Nova Scotia for 1972-73?

Hon. Warren Allmand (Solicitor General): 1. Eleven.

2. $14,166.

3. Budgeting for Parole Board offices is centralized and therefore figures on a provincial basis are not available.

4. Eight hundred twenty-five.

5. One thousand nine hundred seventy-two.

6. $56,060.

———

NOTES: 1(a) Parts 4 and 5, System in the process of amendment and past records give figures on a calendar year basis. 1(b) Parts 4 and 5, Figures shown represent man-months of supervision, not individual cases. 2. Part 6, The National Parole Board does not make grants to aftercare agencies. The amount shown was paid on a fee for services rendered basis.

PAROLE STAFF POSITIONS—ONTARIO, 1972-73

Question No. 170—**Mr. Orlikow:**

1. How many parole staff (positions) were there in Ontario for the year 1972-73?

2. How much did it cost to maintain each position on the average?

3. How much was the total annual budget of the two National Parole Service Offices in Ontario (including staffing) for 1972-73?

4. How many cases did the parole staff have under their supervision in Ontario for 1972-73?

5. How many cases did the John Howard Society of Ontario have under its supervision in 1972-73?

6. What was the parole grant to the John Howard Society of Ontario for 1972-73?

Hon. Warren Allmand (Solicitor General): 1. Sixty-one.

2. $13,085.

3. Budgeting for Parole Board offices is centralized and therefore figures on a provincial basis are not available.

4. Twelve thousand three hundred seventy-six.

5. Four thousand four hundred nine.

6. $189,870.

Order Paper Questions

NOTES: 1(a) Parts 4 and 5, System in the process of amendment and past records give figures on a calendar year basis. 1(b) Parts 4 and 5, Figures shown represent man-months of supervision, not individual cases. 2. Part 6—The National Parole Board does not make grants to aftercare agencies. The amount shown was paid on a fee for services rendered basis.

NUMBER OF INDIAN STUDENTS IN HIGH SCHOOL

Question No. 181—**Mr. Orlikow:**

1. In each province, how many Indian young people entered (a) grade nine in 1970 (b) grade ten in 1971 (c) grade eleven in 1972 (d) grade twelve in 1973?

2. Of those Indian students attending high school from 1970 to 1973, how many were enrolled in the two-year course and how many in the four-year course?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development):

1.	(a)	(b)	(c)	(d)
Nova Scotia	52	46	35	22
New Brunswick	54	44	30	22
Prince Edward Island	1	—	—	—
Quebec	339	305	248	110
Ontario	1021	733	504	407
Manitoba	597	422	210	111
Saskatchewan	403	262	145	96
Alberta	409	409	223	176
*British Columbia	815	631	374	241

Note: The above figures may include some Inuit and other students.
*includes Yukon regional students in British Columbia.

2. This information is not available.

CONSTRUCTION INDUSTRY DEVELOPMENT COUNCIL REPORTS

Question No. 208—**Mr. Herbert:**

Has the Construction Industry Development Council submitted to the Department of Industry, Trade and Commerce any reports on construction industry exports and, if not, does it intend to do so?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Yes, the Construction Industry Development Council has reported on construction industry exports to the Department of Industry, Trade and Commerce.

MORTGAGE INSURANCE FUND, 1972

Question No. 210—**Mr. Herbert:**

Of the amount of the claims paid out of the Mortgage Insurance Fund in 1972, how much has been recovered from sales of property acquired and what is the approximate market value of any property retained from these acquisitions?

Hon. Barney Danson (Minister of State for Urban Affairs): Claims paid by the Mortgage Insurance Fund on properties acquired in 1972 totalled $26.7 million. Recoveries from the sale of properties acquired in 1972 amounted to $17.8 million, with the remaining properties having an approximate market value of $7.6 million.

MERITS OF ESTABLISHING GRAIN ELEVATORS IN NEW BRUNSWICK

Question No. 226—**Mr. Howie:**

Will the government consider the merits of establishing grain elevators at or near seaports in New Brunswick to try and store a year's supply of early grain to be resold at a constant price to New Brunswick farmers thus stabilizing this aspect of farm production cost?

Hon. Otto E. Lang (Minister of Justice): As indicated in the Government's announcement of the new feed grains policy a storage program at an annual cost of $40 million will be instituted. It is anticipated that this will lead to additional grain storage at various locations in Canada, including the Maritimes, and the Government will consider proposals for such storage on their merits. Pricing of feed grains in Canada under the new policy is now determined on an open market basis with users throughout Canada, including the Maritimes, having direct access to western grains. No consideration is being given to holding grain in storage for sale at constant prices in any part of the country.

CANADA ASSISTANCE PLAN COVERAGE

Question No. 254—**Mr. Herbert:**

Does the Canada Assistance Plan cover tools, equipment, licences or permits essential to obtaining employment for a person in need and do the federal payments reimburse up to 50 percent of the costs of such special needs and, if so, is the government aware that persons completing federally financed adult training programs are unable to obtain employment in the trade for which they have been trained because of their inability to (a) purchase tools or obtain financing for such a purchase (b) obtain a work permit in their trade?

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Under the Canada Assistance Plan, the federal government shares in 50 per cent of the costs to the provinces of providing to persons in need items such as tools, equipment, licences or permits which are considered essential for obtaining employment. Persons who have completed federally financed adult training programs and are recognized by the province as persons in need may be eligible for such assistance.

PROPELLANT GASES FROM AEROSOL SPRAYS

Question No. 259—**Mr. Howie:**

Have there been recent expressions of scientific concern over diminution of the atmosphere's vital ozone layer by propellant gases used in aerosol sprays and, if so, does the government contemplate regulation of the use of such gases?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): Yes, there have been expressions of scientific concern and studies are going on. Scientists responsible for these studies are unanimous in stressing that the studies do not provide a final answer and that more research is required. If and when regulatory action becomes appropriate, it will be possible under the provisions of the Environmental Contaminants Act, now before Parliament.

SALARIES OF PERSONNEL IN THE OFFICE OF THE PRIME MINISTER

Question No. 275—**Mr. Munro (Esquimalt-Saanich):**

1. How many members of the staff in the Office of the Prime Minister are expected to receive, in the fiscal year 1974-1975 a salary of (a) $35,000 or more (b) $30,000 to $34,999 (c) $25,000 to $29,999 (d) $20,000 to $24,999?

2. How many members of the staff in the Prime Minister's Office received salaries of $20,000 or more in each fiscal year 1969-70 and 1964-65?

3. How much was spent for travelling expenses of staff members in the Prime Minister's Office in the fiscal year 1973-1974?

Right Hon. P. E. Trudeau (Prime Minister): 1. (a) four; (b) None; (c) six; (d) ten.

2. 1969-70, four; 1964-65, one.

3. $64,054.14.

CELEBRATION OF DOLLARD DES ORMEAUX DAY

Question No. 277—**Mr. Herbert:**

1. What date has been designated for the celebration of the Dollard des Ormeaux Day?

2. Does Canadian Broadcasting Corporation recognize this holiday?

3. Does the government approve of the advertising made by CBC for the celebration of this holiday?

Hon. James Hugh Faulkner (Secretary of State): 1. No date has been designated for the celebration of the Dollard des Ormeaux Day by the Parliament of Canada.

2. I am informed by the Canadian Broadcasting Corporation that the CBC does not recognize at any of its locations in the case of either its unionized personnel or non-unionized personnel, a holiday commemorating Dollard des Ormeaux. No publicity campaign has been broadcast in this connection. As for CBC programs themselves, while references to the anniversary of Dollard des Ormeaux may have been made, no programs or portions of programs have been devoted to this subject.

3. Not applicable.

QUEBEC LIVING PLACES SEMINAR

Question No. 280—**Mr. Herbert:**

Has a date been finalized for a Quebec living places seminar and how will the existence of this seminar be communicated to interested parties?

Hon. Barney Danson (Minister of State for Urban Affairs): While there have been numerous contacts with groups and organizations in Quebec having an interest in the NHA amendments approved in June 1973, arrangements for a Living Places Seminar have not been finalized. An invitation to these seminars is extended to all interested parties.

UNEMPLOYMENT INSURANCE COMMISSION—RECLASSIFICATION OF POSITIONS AND ENTERTAINMENT EXPENSES

Question No. 289—**Mr. McKinnon:**

1. How many positions were reclassified by the Unemployment Insurance Commission in the years 1971, 1972, 1973 and 1974 to date?

2. What were the entertainment expenses of the Unemployment Insurance Commission, broken down by headquarters and regions, for the years 1971, 1972, 1973 and 1974 to date?

Hon. Robert K. Andras (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. 1971, 683; 1972, 1,196; 1973, 147; 1974, 184.

2.

	Atlantic $	Quebec $	Ontario $	Prairie $	Pacific $	Headquarters $	Total $
1971	1,180	372	1,543	880	1,018	5,635	10,629*
1972	1,707	278	1,741	691	663	5,338	10,418
1973	1,577	582	4,677	544	534	3,792	11,706
1974	157	1,376	4,499	—	473	6,262	12,697**

*from April 1 to Decembre 31, 1971
**as of September 30, 1974

OFY ALLOCATIONS IN OKANAGAN BOUNDARY CONSTITUENCY

Question No. 297—**Mr. Whittaker:**

What was the total amount of money given out in the OFY Program in 1973 and to date in 1974 (a) what was the total given out in the program in the constituency of Okanagan Boundary in 1973 and to date in 1974 and what percentage is this of the total distribution made in 1973 and to date in 1974 (b) what projects in the Okanagan Boundary, by name and amount, were given in grants (c) how many were given grants in previous years and what amounts were given to them at that time (d) how many permanent jobs were created (e) what was the total amount of applications received from the constituency of Okanagan Boundary in 1974?

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): Amount given out in form of contributions to projects: 1973, $35,402,908; 1974, $25,630,218 (as at October 4, 1974); (a) (b) (c) and (e) This information is not available as the OFY program does not maintain a record of projects or the allocation of funds by constituency. (d) N/A OFY, as a component of the Student Summer Employment and Activities Program, responds to the summer employment needs of students and is not designed to create permanent jobs.

Order Paper Questions

LOCAL EMPLOYMENT ASSISTANCE PROGRAM ALLOCATIONS TO OKANAGAN BOUNDARY

Question No. 298—**Mr. Whittaker:**

What was the total amount of money given out in the LEAP Program in 1974 (a) what was the total given out in the program in the constituency of Okanagan Boundary in 1974 and what percentage is this of the total distribution made in 1974 (b) what projects in the Okanagan Boundary, by name and amount, were given in grants (c) how many were given grants in previous years and what amounts were given to them at that time (d) how many permanent jobs were created (e) what was the total amount of applications received from the constituency of Okanagan Boundary in 1974?

Hon. Robert K. Andras (Minister of Manpower and Immigration): The total allocation to LEAP for the fiscal year 1974-75 is $12,000,000: (a) 1974-75—$61,200, .5% of total allocation; (b) One project the "Inkaneep Wrecking Yard" was funded in the amount of $72,000; (c) The same project was funded in 1973-74 in the amount of $10,800; (d) 8 on-going jobs; (e) 15.

UIC—CRITERIA USED IN DETERMINING DISTANCE WITHIN WHICH AN UNEMPLOYED PERSON CANNOT REFUSE EMPLOYMENT

Question No. 332—**Mr. Herbert:**

1. What criteria are used to determine the distance within which an unemployed person, wishing to continue to draw benefit, cannot refuse suitable employment when that person does not possess an automobile and there is no convenient form of public transportation?

2. Would the same criteria apply to a person whose spouse possesses an automobile?

3. Does such a judgment on distance vary with the length of unemployment and does it vary by region if all other circumstances are similar?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. There is no rigid rule to determine the distance beyond which a claimant can refuse suitable employment because of lack of personal transportation or public transportation at convenient times, and remain eligible for benefits. Although distance and transportation facilities are factors considered in determining a claimant's eligibility, they can be offset by other factors such as the normal practice in the area for workers required to commute to and from work daily. Lack of transportation is generally not a good cause in itself for refusing suitable work.

2. If the claimant could use the spouse's automobile, the commuting distance would then be determined primarily on the distance workers of the area normally travel to work daily.

3. Neither the length of the period of unemployment nor the geographical location have any bearing on the lack of transportaton factor if the employment offered is suitable. An additional consideration in cases of this nature is that a claimant who has no means of transportation to work generally fails to prove for all practical purposes that he or she is available for work and unable to obtain suitable employment and is not entitled to benefit.

[Mr. Rompkey.]

FUNCTIONS PERFORMED BY POLICE AND SECURITY PLANNING AND ANALYSIS GROUP

Question No. 341—**Mr. Cossitt:**

What have been all the specific functions performed by the Police and Security Planning and Analysis Group in the Department of the Solicitor General since January 1, 1973?

Hon. Warren Allmand (Solicitor General): Since January 1, 1973, the Police and Security Planning and Analysis Branch has performed five specific functions: (a) Analysis of internal security information and the dessemination of that information to the Solicitor General, Deputy Solicitor General and other departments and agencies when appropriate; (b) Formulation of security policy recommendations to the Deputy Solicitor General; (c) Review and analysis of crime prevention and law enforcement activities with particular emphasis on current trends in crime, police co-operation throughout Canada, police community relationships and proposed government legislation in this field; (d) Contingency planning on behalf of the Ministry of the Solicitor General for emergency situations, including crisis handling; (e) Assistance in interdepartmental co-ordination of activities related to government security policies.

TRANSFER OF OLD AGE SECURITY PENSION TO SURVIVING SPOUSE

Question No. 356—**Mr. Herbert:**

Will the government give consideration to the transfer of the Old Age Security Pension at the time of the death of a pensioner to the surviving spouse age sixty or over, the total Old Age Security Pension payment to the survivor not to exceed the maximum payable to a single person?

Miss Coline Campbell (Parliamentary Secretary to the Minister of National Health and Welfare): Consideration is not being given to the proposal at this time. Assistance is now available to all persons in need, regardless of their age, under the provisions of the Canada Assistance Plan through which the Federal government shares with the provinces the amount of assistance paid. The speech from the Throne announced the government's intention to provide for the payment of allowances on an income tested basis, to spouses aged 60 to 65 of recipients of OAS/GIS, effective October 1975. The Working Paper on Social Security in Canada proposed a Guaranteed Income for those persons who are not expected to work. This proposal is still being reviewed in the joint Federal-Provincial Social Security Review which is due to be completed in April 1975.

APPOINTMENT OF MINISTER OF CONSUMER AND CORPORATE AFFAIRS

Question No. 381—**Mr. Cossitt:**

Was the decision by the Prime Minister to appoint a new Minister of Consumer and Corporate Affairs in the last set of cabinet changes based in any way on information, recommendations or comments of any kind, verbal or written, received by the Prime Minister from Mr. Michael Pitfield, Deputy Minister of Consumer and Corporate Affairs at the time and, if so, what was the specific nature and detail of such recommendations?

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

NORTH AMERICAN INDIAN BORDER CROSSING

Question No. 386—**Mr. Firth:**

1. Have any directives been issued in recent months by the Department of Manpower and Immigration prohibiting free passage for Indians across the Canada-US border?

2. Have the terms of the Jay Treaty been violated and, if so, for what reason?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. No. Recently issued directives were intended to, and have been successful in, simplifying and expediting border crossing immigration procedures for many North American Indians.

2. In 1956 the Supreme Court of Canada found that the Jay Treaty has no application in Canada since it has not been implemented or sanctioned by Canadian legislation and consequently there could not have been any violation of it.

FINES IMPOSED UNDER COMBINES INVESTIGATION ACT

Question No. 390—**Mr. Herbert:**

1. Is the government satisfied that fines imposed on companies convicted under the Combines Investigation Act are adequate (a) as a punishment (b) as a deterrent?

2. Is it recognized that the profits obtained from illegal price fixing practices are many times the amount of the fines imposed?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): 1. No. The Combines Investigation Act is designed to improve the performance of enterprises operating in the private sector and to this end fines are more important in their role as a deterrent than as a punishment. For the serious offences like price fixing, there is no limit on the amount of the fine which the courts may impose. Evidence that the government is not satisfied with the fines usually imposed, is contained in Bill C-2 where provision is made in section 31.1 that any person who has suffered loss or damage as a result of conduct that is contrary to any of the criminal provisions of the Act or of the failure of any person to comply with an order of the Commission or a court under the Act may sue for civil damages. This is viewed not only as a matter of social justice, but as an important additional deterrent.

2. Yes. See the answer to question 1.

TRANSFER OF OLD AGE SECURITY PENSION TO SURVIVING SPOUSE

Question No. 421—**Mr. Herbert:**

Will the government consider transferring an old age security pension at the time of death of the pensioner to a surviving spouse who has attained the age of 60 years?

Miss Coline Campbell (Parliamentary Secretary to the Minister of National Health and Welfare): See Question No. 356 answered this day.

Order Paper Questions

PROPOSED OFFICERS QUARTERS BRIDGE, RIDEAU CANAL, LEEDS COUNTY

Question No. 427—**Mr. Cossitt:**

1. Did Mr. J. T. Nicol, Director General of Parks Canada, writh Mr. C. T. Birtch, Clerk, United Counties of Leeds and Grenville, Brockville dated July 16, 1973, advising that the Department of Indian Affairs and Northern Development was prepared "to seek authority from the Government of Canada for a contribution of $250,000 or the entire cost of the bridge portion" of a proposed Officers Quarters Bridge over the Rideau Canal in Leeds County?

2. Did Mr. L. S. C. Willett, Canals Division, Parks Canada, write Mr. G. D. Dougall, County Engineer, United Counties of Leeds and Grenville, Brockville dated October 16, 1973, granting permission to proceed with construction of Officers Quarters Bridge until such time as formal agreement was executed and on the understanding that the customary agreement covering permission would be executed "when presented for signature and providing that all work is done to the satisfaction of the Government"?

3. Did the Director, Canals Division, Parks Canada, receive a letter dated October 17, 1973 from Mr. G. D. Dougall acknowledging Mr. Willett's letter of October 16, 1973 and agreeing to proceed with construction on conditions stipulated by Mr. Willett?

4. Was $265,100 the amount of contribution to be made by the government for construction and did the government promise to, and subsequently fail to, draft the necessary agreement last winter?

5. (a) Have frequent representations been received by officials of the Department of Indian Affairs and Northern Development from Mr. Dougall during the summer and fall of 1974 advising work on the Bridge was well under way and requesting the agreement to be forwarded as soon as possible and, if so, were many assurances given to Mr. Dougall that the agreement was being prepared and that it would soon be in his hands (b) has this agreement been prepared and, if so (i) on what date (ii) has it been sent out and on what date and, if it has not been sent out, what is the reason for such delay and when will this matter be attended to?

6. (a) Is the government aware the Bridge will be completed by October 18, 1974, that the United Counties of Leeds and Grenville are carrying the burden of the amount of $265,100 payable to it by the government and that no progress payments have been received (b) will this matter be cleared up by the next meeting of the United Counties of Leeds and Grenville Council on October 28, 1974?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. Yes

2. Yes

3. Yes

4. (a) Yes; (b) No.

5. (a) Mr. Dougall requested progress payments but was advised payments could only be made at: (1) 50 per cent payment at 50 per cent completion of Officers Quarters Bridge. (2) 25 per cent payment at 75 per cent completion of Officers Quarters Bridge. (3) 25 per cent payment at 100 per cent completion of Officers Quarters Bridge. An inspection of the project in June estimated the project would by 50 per cent complete by July 31, 1974. A submission was made to Treasury Board on August 7, 1974, to enter into the proposed agreement, Treasury Board approval was received September 27, 1974. (b) The proposed agreement is now being prepared for signature by the County.

6. (a) Yes; (b) The draft agreement will be in the hands of the County Clerk for signature before October 28.

Order Paper Questions

BRUCELLOSIS VACCINATION

Question No. 442—**Mr. Cossitt:**

As of the date this question is answered, what is the government's exact policy in detail in regard to vaccinating or not vaccinating cattle against brucellosis?

Hon. E. F. Whelan (Minister of Agriculture): The Department continues to de-emphasize the use of a brucellosis vaccination for the following reasons: (1) the low incidence of the disease across Canada. (2) the vaccine does not provide immunity in all animals. (3) some vaccinates react to the brucellosis test thus causing confusion in the interpretation of the test due to the fact that it is not possible to distinguish between a vaccination reaction and a reaction from infection. Brucellosis vaccine is available to livestock owners through veterinary practitioners. The official vaccination age is not earlier than three months and not later than nine months. If an owner decides to have his calves vaccinated, the department recommends they be done as soon as possible after three months in order to lessen vaccination reactions on the blood test.

CANADA'S COASTAL AND ARCTIC TRADE TO CANADIAN REGISTERED VESSELS

Question No. 452—**Mr. Forrestall:**

1 With reference to the news conference on transportation policy given by the Minister of Transport June 19, 1974, does the government intend to live up to commitments made at that conference to reserve "Canada's coastal and arctic trade to Canadian registered vessels"?

2. On what date will this policy be put into effect with respect specifically, to the extractive-based shipping in the Arctic Archipelago?

3. Will such policies be implemented in sufficient time to accommodate shippers' plans for the summer of 1975 with respect to the Canadian Arctic Archipelago?

Hon. Jean Marchand (Minister of Transport): 1. The government has given notice of withdrawal from certain articles of the British Commonwealth Shipping Agreement in order to reserve coastal shipping to Canadian registered vessels.

2. Withdrawal becomes effective April 26, 1975 for all coastal trade with the exception of a five year continuance for British vessels previously engaged.

3. Yes.

ICE-STRENGTHENED CARGO CARRIERS AND ICEBREAKERS

Question No. 453—**Mr. Forrestall:**

1. With respect to the news conference on transportation policy given by the Minister of Transport, June 19, 1974, how specifically does the government intend to "encourage the design and manufacturing in Canada of ice-strengthened cargo carriers and icebreakers which will fly the Canadian flag and operate in Canadian arctic waters"?

2. What steps have been taken since June 19, 1974 to bring about these ends?

3. At what date does the government foresee the actual use in the Canadian Arctic of the proposed special ice-strengthened cargo carriers?

4. At what date does the government foresee the actual use in the Canadian Arctic of the proposed icebreakers mentioned in that news conference?

[Mrs. Campagnolo.]

5. (a) Does the government view the continued practice of allowing into Canada duty-free foreign designs and plans for ships of all types as conducive to and in harmony with its intention to "encourage the design and manufacturing in Canada" of ice-strengthened vessels (b) will the government consider reviewing thoroughly this practice to determine whether or not it is in accordance with government policy as outlined on June 19, 1974 by the Minister of Transport and, if not, for what reason?

Hon. Jean Marchand (Minister of Transport): 1 and 2. Consultations with industry regarding design and construction of ice class vessels are proceeding and specific encouragement will be determined when a firm proposal has been received. The recently signed agreement with Mineral Resources International Ltd., for the Strathcona Sound project requires the use of Canadian Flag Carriers, unless otherwise authorized by Order-in-Council.

3. Depending upon availability of shipyard space and construction materials, the proposed vessels would be completed approximately three years after commitment to build.

4. The R. Class icebreakers are expected to go into service in the 1979-80 season.

5. (a) No. However, where foreign technology is available, it will be utilized when it is seen to be to advantage; (b) Yes.

DEPARTMENT OF TRANSPORT—ACCIDENT INVESTIGATION

Question No. 461—**Mr. Forrestall:**

In what proportion of accidents investigated by the Air Accident Investigation Division of the Department of Transport has the investigation or any party thereof been partially or otherwise concerned with any feature, aspect or facet of air transportation in Canada, including certification of air worthiness, pilot licensing, instrument accuracy, flight procedures and pilot notification, that is governed, regulated or in any other way whatsoever directed by any other agency of the Department or any other branch, agency or division of the government?

Hon. Jean Marchand (Minister of Transport): All accident investigations conducted by the Aviation Accident Investigation Division of the Ministry of Transport are concerned with certification of airworthiness, pilot licensing, instrument accuracy, flight procedures, and pilot notification that are regulated and controlled by the relevant branches and divisions of the Canadian Air Transportation Administration of the Ministry of Transport. However, the accident investigation division does not assess whether or not an infraction of regulations has occurred because the investigators may not be qualified in regulatory matters; they establish causal factors only. The question of the adequacy of regulations and controls is subject to accident investigation scrutiny as are the technical and operational factors, and a significant number of regulations and control procedures have been adopted as a result of findings of accident investigations. In summary, it should be noted that the Ministry of Transport system of air accident investigation is based upon the determination of cause, not blame, and witnesses, be they public servants or private citizens, are offered privilege. The courts have upheld the privilege of the witness statements on two recent occasions. Also there has never been a single instance of litigation against the Crown related to inadequate regulations, or suppression and alteration of accident data, but there have been cases related to improper

procedures by the Crown and which were revealed in accident investigation reports.

EXTRACTIVE BASED SHIPPING IN CANADIAN ARCTIC ARCHIPELAGO

Question No. 477—**Mr. Forrestall:**

Is it the intention of the government to reserve to Canadian corporations and vessels the extractive based shipping in the Canadian Arctic Archipelago and, if not, what is the basis for the continuation of this policy?

Hon. Jean Marchand (Minister of Transport): As announced by the Ministry of Transport on September 24, it is intended to implement the recommendations of the Report of the Inquiry on the Coasting Trade of Canada and Related Marine activity, restricting coasting trade activities to Canadian flag vessels. This restriction will include vessels operating in the Arctic Archipelago. It is not, however, the present intention to limit international shipping in the Arctic Archipelago to Canadian corporations and vessels, but individual development agreements, such as that for Strathcona Sound, may provide specifically for it. Canada has pursued a general policy of utilizing the most economical bottoms available for all international shipping and this policy applies in the Arctic, as in all of Canada. This policy is under continual review and may be changed to meet altered economic or national circumstances.

APPOINTMENT OF MR. MICHAEL PITFIELD TO CABINET

Question No. 479—**Mr. Cossitt:**

With reference to press reports to the effect that the Hon. Herb Gray stated on CTV program "Question Period" that the promotion of Mr. Michael Pitfield from Deputy Minister of Consumer and Corporate Affairs to the position of Clerk of the Privy Council and Secretary to the position of Clerk of the Privy Council and Secretary to the Cabinet only added to the "air of mystery" surrounding Mr. Gray's demotion from the Cabinet, will the Prime Minister issue a statement giving all details connected with both the appointment of Mr. Pitfield and the dropping of Mr. Gray from the Cabinet?

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

PURCHASE BY PARKS CANADA OF PROPERTY BELONGING TO CLARENCE AND HELEN MARSHALL, BROCKVILLE, ONTARIO

Question No. 480—**Mr. Cossitt:**

1. Did Mr. J. R. Malfair of Parks Canada on behalf of the government write a letter dated July 22, 1974, to Clarence and Helen Marshall of Brockville, Ontario, offering to purchase from them a dwelling located on lot 3, plan 266, Brockville, for the sum of $50,000 subject to Governor in Council approval?

2. Was a closing date of September 2, 1974, agreed on, subject to extension at government request to October 15, 1974, at a *per diem* increase in purchase price of $20 per day?

3. Were the Marshalls or their real estate agent, O. R. Davis and Co. Ltd., verbally informed on various occasions that in this case Treasury Board approval was a formality?

4. Did Mr. G. B. MacDonald of Parks Canada advise solicitors for the Marshalls in a letter dated August 30, 1974, that Treasury Board would not approve the purchase?

5. Is it a fact that this matter was never referred to Treasury Board and, if so, for what reason?

6. Will the government proceed with purchase of the property and (a) if so, on what date (b) if not, for what reason?

7. Is the government prepared to compensate Mr. and Mrs. Marshall for any financial loss suffered as a result of government failure to follow through with the original offer?

Mrs. Iona Campagnolo (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development): 1. Yes.

2. Yes.

3. The Department's position has always been that the Offer to Purchase was subject to Treasury Board approval. Our officers have indicated that while there was normally no problem in receiving such authority, there was always the possibility of the submission being refused.

4. Yes.

5. Yes. While the Offer to Purchase was entered into in good faith by the employees of Parks Canada on the basis of their interpretation of the Parks Canada staff housing policy, it was done so without realizing that it was in conflict with an existing Treasury Board Directive. The fact that it conflicted with the policy of the Government of Canada and the Board's instruction was not discovered until an attempt was made to process the Treasury Board submission.

6. (a) The Government will not proceed with the purchase of the property; (b) The Government will not proceed with the pruchase as it is not the policy of the Government of Canada to provide staff accommodation in urban centres where it can reasonably expect its employees to provide their own accommodation.

7. The Department has informed the Marshalls that if they have suffered a demonstrable hardship or financial loss it is prepared to review any claim they wish to make.

ASSISTED HOME OWNERSHIP PROGRAM

Question No. 506—**Mr. Hnatyshyn:**

1. How many families have taken advantage of the provisions of the Assisted Home Ownership Program to date and to what value?

2. What percentage is allowed for subsidy?

3. Are persons allowed to work out their down payments and, if so, to what percentage?

4. Is consideration being given to extending this program to cover unmarried persons?

Hon. Barney Danson (Minister of State for Urban Affairs): 1. Since inception of the program in July 1973, 24,157 families have taken advantage of the Assisted Home Ownership Program totalling $543 million. Loans currently in process will be made available to approximately 1,250 additional families this year.

2. The subsidy varied from zero to the maximum of $1,446 depending on the circumstances of each applicant.

3. A minimum down-payment of 5 p. 100 of the value of the house is required, and this may consist of cash, land and owner-labour.

4. Because the funds available under this most successful program are not unlimited, consideration was not given to include unmarried persons.

Order Paper Questions

CLERK OF THE PRIVY COUNCIL AND SECRETARY TO THE CABINET

Question No. 513—**Mr. Cossitt:**

What are the names, the present and previous positions in the Public Service along with dates of same, of all persons who were considered for the position of Clerk of the Privy Council and Secretary to the Cabinet prior to the announcement of the appointment of Mr. Michael Pitfield and, in each case, for what reason was the individual found unacceptable?

Right Hon. P. E. Trudeau (Prime Minister): Appointments to the position of Clerk of the Privy Council and Secretary to the Cabinet, like appointments to other deputy ministerial positions, are made by the Governor in Council. Advice tendered to the Governor in Council is regarded as confidential. It would be at variance with this principle to disclose anything relating to the advice tendered for the appointment in question.

ISSUANCE OF PILOT LICENCES

Question No. 517—**Mr. Forrestall:**

1. For each year since 1969, how many licences has the Department of Transport issued to pilots, by classification?

2. How many have been issued to date this year?

Hon. Jean Marchand (Minister of Transport): 1. Pilot licences issued for each year since 1969 by classification are as follows: (a) Private Pilot Licences—1969, 4,922, 1970, 4,397, 1971, 4,262, 1972, 4,252, 1973, 4,753; (b) Commercial Pilot Licences—1969, 931, 1970, 845, 1971, 780, 1972, 959, 1973, 1,197; (c) Senior Commercial Pilot Licences—1969, 356, 1970, 265, 1971, 190, 1972, 251, 1973, 363; (d) Airline Transport Pilot Licences—1969, 330, 1970, 295, 1971, 220, 1972, 310, 1973, 559; (e) Glider Pilot Licences—1969, 159, 1970, 173, 1971, 147, 1972, 203, 1973, 366.

2. Pilot licences issued this year to September 30, 1974 are as follows: (a) Private Pilot Licences, 4,018; (b) Commercial Pilot Licences, 1,149; (c) Senior Commercial Pilot Licences, 273; (d) Airline Transport Pilot Licences, 368; (e) Glider Pilot Licences, 350.

CONSUMER LEGISLATION OFFENCES

Question No. 521—**Mr. Herbert:**

1. Did the Minister of Consumer and Corporate Affairs state (a) that he would do everything in his power to ensure that fines and penalties resulting from court actions for consumer fraud, product safety and weights and measures offences are in proportion to the gravity of the offences (b) that the amount of the penalties are decided by the courts?

2. (a) Does the Minister believe that the total fine for each of the 28 convictions between April and June is proportionate to the gravity of the offence (b) what action is in his power to ensure the adequacy of fines and penalties, if these penalties are decided by the courts?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): 1. (a) Yes; (b) Yes.

2. (a) No; (b) The Minister attempts to ensure that all facts relevant to sentencing are brought to Crown counsel's attention, and that Departmental officials discuss with Crown counsel the possibility of appealing sentences in those cases where the fine is considered to be too low. In addition, the Minister ensures, in those instances where inspection activities indicate that the Department should prosecute individuals or companies for infractions of the legislation, that the matter be brought before the courts as quickly as possible to impress upon the courts the gravity of the offences, and to prevent a continuation of the illegal practices. The Minister also hopes that increased publicity given to prosecutions will have the beneficial effect of ensuring that the fines and penalties, as determined by the courts, are adequate.

OFY—PROMOTION OF POLITICAL CANDIDATES

Question No. 529—**Mr. Herbert:**

During the last federal campaign, were Opportunities for Youth grants used to promote candidates and, if so (a) did the government have knowledge of such usage (b) what action was taken to stop this practice?

Hon. Robert K. Andras (Minister of Manpower and Immigration): No. (a) Not applicable; (b) not applicable;

TRANS-NEWFOUNDLAND CORRIDOR TRANSPORTATION STUDY

Question No. 572—**Mr. Marshall:**

With reference to the findings of the recent Trans-Newfoundland Corridor Transportation Study, what are the government's intention with regard to (a) improvements for the purpose of making more effective use of existing facilities (b) determining for what reason the Trans-Canada Highway falls short of the established design standards (c) improving the Newfoundland rail line (d) overcoming costly transfer operations for inter-provincial rail freight?

Hon. Jean Marchand (Minister of Transport): The Trans-Newfoundland Corridor Transportation Study has been given wide circulation, not only to the provincial government but to interested organizations and public libraries. Comments on the Study have been invited by January 31, 1975 and in the light of these comments, a decision will be made on the next step. Improvements have already been made on rail freight transfer operations by the provision of increased rail cars in each direction.

TRANSPORTATION—NEWFOUNDLAND

Question No. 573—**Mr. Marshall:**

Has there been consultation between the government and the Government of Newfoundland with regard to implementing a transportation program for the construction and improvement of facilities in the Province, particularly for the purpose of improving access to remote communities and areas with proven resource potential and of strengthening and upgrading the Trans-Canada Highway and, if so, what progress has been made to date?

Hon. Jean Marchand (Minister of Transport): Preliminary consultations have been held with the provincial government and will be ongoing. Reference was made to remote access during the election campaign and a meeting with the Atlantic Province Ministers has been suggested to them for the near future. The reply to Question No. 572 applies to the rest of the hon. member's question.

QUESTIONS PASSED AS ORDERS FOR RETURNS

FEDERAL ASSISTANCE TO THE CONSTRUCTION OF ROADS, BRIDGES AND VIADUCTS IN CANADA

Question No. 76—Mr. Lambert (Bellechasse):

In 1972 and 1973, did the government contribute to the construction of roads, bridges and viaducts in Canada and, if so (a) in which province (b) what was the amount of the contribution by province (c) under which agreement of program was the grant made (d) did this involve public works carried out by the provincial or municipal governments (e) how many bridges and viaducts were built in Quebec with federal assistance (f) how many miles of roads were constructed in Quebec with federal assistance (g) in which municipalities and cities were such bridges, viaducts and miles of roads constructed?

Return tabled.

DEPARTMENT OF JUSTICE—LAWYERS RETAINED IN NEW BRUNSWICK, 1973-74

Question No. 228—Mr. Howie:

What lawyers in the Province of New Brunswick were employed by the Department of Justice from January 1, 1973 to September 30, 1974 and how much money was paid to each of them?

Return tabled.

DEPARTMENT OF JUSTICE—LAWYERS RETAINED IN SASKATCHEWAN, 1973-74

Question No. 257—Mr. Nystrom:

What were the names and addresses of lawyers practicing in Saskatchewan retained by the Department of Justice to handle legal matters affecting the government between October 1, 1973 and July 30, 1974?

Return tabled.

ACQUISITION OF PAPERS BY PUBLIC ARCHIVES

Question No. 267—Mr. Symes:

1. Since 1957 (a) what papers of persons whose careers have been chiefly centred in Northern Ontario (b) what papers of businesses or organizations whose activities have been chiefly centred in Northern Ontario have been acquired by the Public Archives?

2. What publications or finding aids for holdings specifically relating to Northern Ontario have been published by the Public Archives?

3. What exhibits of the Public Archives have been circulated in Northern Ontario since 1968 and in what places?

Return tabled.

NEW HORIZONS PROGRAM IN OKANAGAN BOUNDARY, 1973-74

Question No. 296—Mr. Whittaker:

What was the total amount of money given out in the New Horizons Program in 1973 and to date in 1974 (a) what was the total given out in the program in the constituency of Okanagan Boundary and what percentage is this of the total distribution (b) what projects in the Okanagan Boundary, by name and amount were given in grants (c) how many were given grants in previous years and what amounts were given to them at that time (d) how many permanent jobs were created (e) what was the total amount of applications received from the constituency of Okanagan Boundary in 1973 and in 1974?

Return tabled.

LIP PROGRAM ASSISTANCE IN OKANAGAN BOUNDARY, 1973-74

Question No. 299—Mr. Whittaker:

What was the total amount of money given out in the LIP Program in 1973 and to date in 1974 (a) what was the total given out in the program in the constituency of Okanagan Boundary in 1973 and to date in 1974 and what percentage is this of the total distribution made in 1973 and to date in 1974 (b) what projects in the Okanagan Boundary, by name and amount were given in grants (c) how many were given grants in previous years and what amounts were given to them at that time (d) how many permanent jobs were created (e) what was the total amount of applications received from the constituency of Okanagan Boundary in 1974?

Return tabled.

MEMBERS OF FARM PRODUCTS MARKETING COUNCIL

Question No. 307—Mr. McGrath:

1. Who are the members of the Farm Products Marketing Council?
2. How much is each member paid?
3. What is the council's role in relation to CEMA?

Return tabled.

DEPARTMENT OF SOLICITOR GENERAL—POLICE AND SECURITY PLANNING AND ANALYSIS GROUP PERSONNEL

Question No. 340—Mr. Cossitt:

What are the names, job designations, annual salaries and previous government employment, if any, of all persons employed by, attached to, on loan to or in any way associated with the Police and Security Planning and Analysis Group in the Department of the Solicitor General and, in the case of each individual, what were all the specific qualifications he possessed which led to this employment?

Return tabled.

PURCHASE OF AIRCRAFT BY GOVERNMENT

Question No. 344—Mr. Cossitt:

Were any aircraft purchased by the government from any source whatsoever, other than new aircraft from a manufacturer, since January 1, 1968 and if so (a) what is the exact description of any such aircraft (b) what was the purchase price (c) on what date and from whom was it purchased (d) for what exact purpose?

Return tabled.

Mr. McKenzie: On a point of order, Mr. Speaker, on October 9 I placed starred question 362 on the order paper. It deals with the overhaul of obsolete aircraft at Winnipeg. I feel that Air Canada and the government have had more than ample time to answer my question. I should appreciate an answer by next Wednesday from the parliamentary secretary.

Mr. Cossitt: Mr. Speaker, I rise on a point of order. May I refer the parliamentary secretary to questions Nos. 53 to 61 inclusive which remain unanswered. These questions request full details of the allocation of local initiatives grants in the ridings of nine members of cabinet, and specifically details of projects, the names of those applying for grants and the names of those who recommended the grants. I placed these questions on the order paper on the first day of the present session, which means they have remained unanswered for about one month and a half. Let me remind the parliamentary secretary that exactly the same questions were placed on the order paper

in the second session of the twenty-ninth parliament, beginning on March 28, 1974. This means that these questions have remained unanswered for approximately eight months.

I wish to refer to question 20 on the order paper which remains unanswered and ask the parliamentary secretary if this could be investigated as well. The question asks for the allocation of LIP funds in 1973-74 to constituencies represented by cabinet ministers. The fact that release of this information—

Mr. Speaker: Order, please. Surely the hon. member has made his grievance and his point abundantly clear. It may be a point that is well taken. I did not want to interrupt the hon. member, but with respect, his point has been well made.

● (1500)

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Marshall: Mr. Speaker, I wish to refer to notice of motion for production of papers No. 13 which I placed on the order paper in the last session. It has to do with meetings and operational plans of a management team under the Veterans Land Act. I wonder why the government refuses to table those documents. They refused to table them in the last session and again this session. This is very important because the Veterans Land Act will be phased out in five months. I feel I am entitled to have these documents tabled.

Mr. Reid: Mr. Speaker, no decision has been made on whether to refuse or accept the hon. member's motion.

ORAL QUESTION PERIOD

[*English*]

NATIONAL DEFENCE

REQUEST FOR STATEMENT ON PRIORITIES OF TASKS ASSIGNED TO FORCES IN VIEW OF MANPOWER REDUCTIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of National Defence. In view of the minister's quite recent statement that the armed forces are now overtasked and reduction in numbers inevitably means some reduction in tasks, is the minister prepared to give some assurance today that in the course of the budget debate next week he will make a precise statement as to what tasks are going to be reduced and, more important, how priority tasks are going to be fulfilled?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, it is quite right that our manpower must be balanced with the tasks which the manpower is required to do. We are now in the process of re-examining the tasks of the armed forces. When changes are decided by cabinet, they will, of course, be announced. I doubt whether that will be in time for the budget debate referred to by the hon. Leader of the Opposition.

Mr. Stanfield: Mr. Speaker, I do not know how long we are to be kept in suspense. I wish to ask a very specific question relating to the minister's statement that our first task and our central responsibility are nothing less than to defend Canadian independence and sovereignty. In view of the increasing allegations that that task, particularly with regard to coastal surveillance, is not now being met, has the government decided to reduce responsibilities in that priority area? If not, is the minister's budget being reshaped to provide adequate funds to permit the job to be done?

Mr. Richardson: Mr. Speaker, I believe very sincerely that that job is being done at the present time. There has been a lot of talk about some of our old equipment. I wish others would point out that we have four of the most modern and most efficient destroyers in the world. We are operating a large fleet of Argus aircraft. We are operating tracker aircraft. We have plans underway for a new long-range patrol aircraft. This task is being performed not only on our coasts, but across Canada.

EFFECT OF EXPENDITURE ON FACILITIES IN WINNIPEG ON TASKS ASSIGNED TO FORCES

Hon. Robert L. Stanfield (Leader of the Opposition): In view of the minister's statement that the armed forces are overtasked and despite his announced austerity program in general terms, is it the intention of his department or the government to spend $40 million to $50 million on defence facilities in Winnipeg? If so, will the minister tell the House what priority tasks will be reduced to permit that expenditure?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the Leader of the Opposition gets his facts from the newspaper. If he would read other pages of the same newspaper, he would find that I have already stated that that article is completely inaccurate. No sums of that kind are being spent in Manitoba. I do not know how that figure was arrived at.

Mr. Speaker: The hon. member for Dartmouth-Halifax East.

Mr. Forrestall: Mr. Speaker, my question has to do with defence, but it is not supplementary.

INDUSTRY

STUDY OF STEEL PRICES—DATE OF PUBLICATION OF REPORT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. In view of the fact that profits for the three major steel companies, Stelco, Algoma and Dofasco, are up 31 per cent, 121 per cent and 29 per cent respectively, and considering the Prime Minister appointed a one-man inquiry to investigate steel price increases last June, can he inform the House of the progress of this inquiry?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. I am informed by the Minister of Industry, Trade and Commerce that the report should be available in a matter of days.

Mr. Broadbent: A supplementary question. Will the Prime Minister or the Minister of Industry, Trade and Commerce assure the House that this report will be made available to members as well as the people of Canada in general?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker.

STUDY OF STEEL PRICES—ASSURANCE OF ROLL-BACK IF INCREASES UNWARRANTED

Mr. Edward Broadbent (Oshawa-Whitby): Will the Prime Minister or the minister responsible for implementing price roll-back legislation assure the House that if the report shows that unjustified price increases are found to have occurred, the government will act quickly to take steps to bring about roll-backs in those price increases?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member will refer to the Speech from the Throne, he will see the government's intentions in these regards. I can only regret that the New Democratic Party chose to defeat the government before the legislation was passed.

Mr. Broadbent: Notwithstanding the Prime Minister's crack, will he assure the House—

Some hon. Members: Order.

Mr. Speaker: Order, please. The hon. member will be recognized for a final supplementary.

Mr. Broadbent: Notwithstanding the Prime Minister's crack, will he assure parliament that this will be acted upon within a matter of weeks and not within a matter of four years as he indicated to the House the last time?

Mr. Trudeau: Mr. Speaker, I assure the hon. member it was not meant as a crack. I was recalling to him an historical fact. As to the intentions of the government, the Speech from the Throne is written for a session, not for four years.

[*Translation*]

CONSUMER AFFAIRS

SUGAR SHORTAGE IN BRITISH COLUMBIA—GOVERNMENT ACTION TO REMEDY SITUATION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Minister of Consumer and Corporate Affairs.

Did he receive this morning a telegram from British Columbia informing him of a sugar shortage in that province; if so, is he taking any steps to correct this situation?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I did not receive this telegram. I shall inquire of my staff if it has not arrived yet.

[*English*]

SUGAR—POLICY ON PRICING AND ESTABLISHMENT OF NATIONAL PURCHASING BOARD

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs. Has the minister made any recommendations to his colleagues with regard to the present pricing situation of sugar in Canada or proposed setting up a national sugar purchasing board in this country?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I publicly expressed my views on this matter. I made some recommendations, and the whole matter is under review by my colleagues.

* * *

[*English*]

NATIONAL DEFENCE

POSSIBLE TRANSFER OF REPAIR FACILITIES FOR 707 PLANES FROM TRENTON TO WINNIPEG

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is directed to the Minister of National Defence. Is it the intention of the government to move repair and overhaul facilities for 707 transport planes from Trenton to Winnipeg? If so, would the minister explain how he justifies spending many millions of dollars on making such a move when first class facilities and trained personnel are presently located at the Canadian Forces Base, Trenton, where an outstanding job is being done?

● (1510)

Hon. James Richardson (Minister of National Defence): I must point out to the hon. member that we are not moving any facilities for repairing 707s because there aren't any in Canada at the present time. These are new aircraft and this is the first time they have undergone major repair and overhaul. We are establishing new facilities; we are not moving facilities from anywhere else.

Mr. Hees: As the minister knows, it would be far easier to carry on at Trenton because this work has been done very well at that base for a number of years now. Will the

hon. gentleman, in the interest of saving many millions of dollars, and helping to arrest the rapid decline in morale in the armed forces, set this plan aside and desist from carrying out one of the worst examples of pork barrelling which has ever come to the surface in this country?

Mr. Richardson: References to low morale in the armed forces always seem to come from the Conservative Party.

Some hon. Members: Right on!

Mr. Hees: They come from us because we talk to the people in the armed forces and you don't.

Mr. Richardson: As far as the overhaul capability in Winnipeg is concerned, what we are doing is carrying out a long-standing—

Mr. Hees: —election promise made to try to get votes!

Mr. Richardson: —commitment at the time the Air Canada base was moved to Montreal; a commitment to use our best efforts to establish a viable base in that city. It is natural and logical that our aircraft should be repaired there in order to keep a viable base and to keep a promise which was made five years ago.

Some hon. Members: Hear, hear!

Mr. Hees: It is simply a pork barrel.

SUGGESTED VISIT BY MINISTER TO VARIOUS COMMANDS TO STUDY MORALE OF FORCES

Mr. J. Patrick Nowlan (Annapolis Valley): Mr. Speaker, my question, too, is directed to the Minister of National Defence. A few moments ago, the minister referred to morale in the armed forces. Since he has just returned from a trip to the Middle East and to other parts of the world—

Some hon. Members: Question!

Mr. Nowlan: The question is coming. In order that the minister may obtain at first hand an impression of the real state of morale in our forces, does the minister intend to visit Transport Command, Mobile Command and Maritime Command where the bulk of our troops are stationed? If so, when does he intend to visit these commands, something he has not done since he became Minister of National Defence?

Hon. James Richardson (Minister of National Defence): I am sure the hon. member knows that I have visited practically every command. I have not been to Maritime Command, but I have been to Mobile Command, Training Command and most of the others. I hope to visit Maritime Command in the near future.

POSSIBLE EXTENSION TO NINE MONTHS OF TOUR OF DUTY

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Still on this subject of morale, in the course of his interviews with members of the Armed Forces, to which the minister has referred, were any grievances brought to his attention with regard to the fact that the six-month tour of duty is being extended to nine months, particularly since the accommodation available is virtually nil—troops have to sleep in their clothing and in sleeping bags out in the open?

Hon. James A. Richardson (Minister of National Defence): There has been no decision to extend the tour of duty to nine months. It is six months. The living accommodation, as I Indicated, was satisfactory; where there was any difficulty there was real progress in making improvements.

* * *

ENERGY

REPORT ON RESERVES—DATE OF PUBLICATION—KNOWLEDGE OF MINISTER OF FINANCE OF CONTENTS

Mr. J. H. Horner (Crowfoot): A question for the Minister of Energy, Mines and Resources, Mr. Speaker. Could he assure the House and the country that the long-awaited report of the National Energy Board with regard to the extent of our reserves of oil and gas will be made public before November 18 when the Minister of Finance brings down his budget, one which might have repercussions affecting exploration for further reserves in Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I have made the report available on a confidential basis to the producing governments, namely, Saskatchewan and Alberta, and have asked them to let me have their views before the government takes a final decision on the matter. This is part of our consultative arrangements with those two provinces. As yet, I have not received a response from the Government of Alberta, so I cannot give the hon. member the assurance he is seeking.

Mr. Horner: Can the minister assure us that the Minister of Finance has read the report so that he might have an opportunity of adjusting his thinking along the lines the report suggests—

Some hon. Members: Oh, oh!

Mr. Horner: —or that many people believe it suggests—that we shall be running out of oil by 1983 and that the minister should encourage exploration rather than put a thumbs down on further exploration in his budget of November 18.

Mr. Macdonald (Rosedale): I have been keeping my colleague informed of the current situation both with regard to oil and natural gas and with regard to other non-renewable natural resources.

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EXTERNAL AFFAIRS

IDENTIFICATION OF BODY FOUND ON BORDER BETWEEN GUYANA AND BRAZIL

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, I have a question for the Secretary of State for

External Affairs of which I have given him notice. Have the officials of his department made positive identification of the remains of a partially decomposed body found in a shallow grave in the jungle near the border between Guyana and Brazil purported to be the body of Donald Krestel, a young university graduate from Port Rowan, Ontario?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): I thank the hon. member for giving me notice of this question. The department is aware of the situation to which the hon. member refers but because of the inaccessibility of the area our information to date is rather vague. Our officers are seeking full information and as soon as it is available I shall advise the hon. member.

* * *

NATIONAL DEFENCE

OVERHAUL BASE AT WINNIPEG—USE OF FACILITIES BY COMMERCIAL AIRLINES

Mr. Dan McKenzie (Winnipeg South Centre): My question is directed to the Minister of National Defence. Would the minister consider dropping his CAE plans to overhaul five Boeings and use his influence to persuade the government and Air Canada to establish a proper second overhaul and maintenance base in Winnipeg, since Air Canada has a fleet large enough to make a second air base viable there?

Hon. James Richardson (Minister of National Defence): We are building a viable base on the former Air Canada base under the management of CAE. We are also building, as the hon. member knows, a new Air Canada facility in Winnipeg.

Mr. McKenzie: As it is not feasible or practical to build a jet air base to overhaul only five planes, has the minister received any firm commitment from other airlines to overhaul their jet fleets in Winnipeg?

Mr. Richardson: There are no firm contracts yet. A number of companies, however, such as regional airlines, including Transair, the local regional airline, have shown an interest in using these overhaul facilities when they are in operation.

* * *

CONSUMER AFFAIRS

PRICE OF ANTI-FREEZE—REASON FOR INCREASED MARKUP AND POSSIBILITY OF PROFITEERING

Mr. Cyril Symes (Sault Ste. Marie): I have a question for the Minister of Consumer and Corporate Affairs following a question I put to him about anti-freeze about a month ago. In view of the fact that manufacturers of anti-freeze have told the minister that the retail price of a gallon of anti-freeze should be in the $6 to $9 range but evidence now shows that some manufacturers are charging retailers as much as $9.75 a gallon, causing the retail price to be as high as $12 a gallon, has the hon. gentleman now found any evidence of profiteering?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): No, Mr. Speaker. If the hon. member has any proof he would like to give to me, I would be very glad to know it.

[*English*]

Mr. Symes: In view of the fact that ethylene glycol supplies have recently been imported at a cost of little over $3 a gallon can the minister explain why in 1972 the markup was only $1.52 over the import price while now it is anywhere from $4 to $6 higher than the import price, despite the fact that there are no shortages?

● (1520)

[*Translation*]

Mr. Ouellet: Mr. Speaker, I repeat what I have already told the House, that there is no shortage presently, and every indication I get every week on the subject confirms that there is no shortage in Canada, and the prices are high especially because there is a worldwide shortage in one of the components of this product, that is ethylene. Antifreeze itself is not scarce, but ethylene is, and since it is, there are fluctuations in the price of the end product which is antifreeze.

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COMMUNICATIONS

LABOUR DIFFICULTIES AT QUEBEC TELEPHONE—REQUEST FOR STUDY

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to direct a question to the hon. Minister of Communications.

Telephone communications within the region served by the Quebec Telephone Company being increasingly more difficult because of the labour disputes of the past several months, the economy of the region is deteriorating. Although I am satisfied that this matter comes under provincial jurisdiction, and considering that this is a multinational corporation would the minister instruct his officials to investigate this matter to find out, hopefully to settle this dispute, whether the firm is violating some federal legislation in the area of communications?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, we have already looked into this matter and examined the causes of the dispute. Fortunately or not, any way the hon. member will have it, we have failed to find any violation of a federal statute, and therefore cannot find reason to intervene.

Oral Questions

[*English*]

NATIONAL DEFENCE

CRASH OF ARMED FORCES PLANE IN MIDDLE EAST—REQUEST FOR REPORT

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question based on the statement of the Minister of National Defence, but I see he has left the House so may I put the question to his parliamentary secretary. Further to that part of the minister's statement about the loss of the Buffalo aircraft, will the minister now make public the national defence department's own report and the report of the United Nations on the loss of this aircraft, so that we do not have to rely on the report or allegations of the minister of defence of Syria, however honourable they may be? We would like to see the government's own report and the UN report.

Mr. Leonard Hopkins (Parliamentary Secretary to the Minister of National Defence): Mr. Speaker, the Minister of National Defence has had to leave the House to meet with General Goodpaster and the Prime Minister, and that is the reason for his absence. I will take the question as notice and bring it to the minister's attention.

* * *

HEALTH

INCREASING COST OF MEDICAL CARE—GOVERNMENT PROPOSALS TO PROVINCES TO CONTROL

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of the latest reports showing that medical and health care services in Canada are being crippled by soaring costs, is the federal government now preparing new proposals to put before the provinces to bring these soaring costs under control, and if not, why not?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as was indicated in the hon. member's question, rising costs in the health field corresponds in general to rising costs in the overall economy, resulting from the inflation which we are now experiencing. As for the various methods of financing health care, my colleagues from the provinces should consider some alternatives. I for one am examining whether there is a possibility of developing new methods which would be more appropriate. But, if I may repeat myself, this will take time, and I unfortunately cannot promise the hon. member to give any specific information on that matter before several months.

[*English*]

Mr. Grafftey: A supplementary question, Mr. Speaker. Without entering into a debate, the rate of inflation in health services is much greater than the general average. Since it was the federal authority in the first place which, in my view properly, initiated medicare in Canada, does the minister not feel that it is the federal authority's responsibility to initiate these proposals with the provinces immediately?

[*Translation*]

Mr. Lalonde: Mr. Speaker, the federal authorities have already made in the past a specific proposal to introduce more flexibility in the financing of health care which would have indirectly led to better control over costs. For their own reasons, the provinces have deemed proper not to support that proposal and it was then agreed that the provinces would consider if they had any alternate suggestion to make. I have not yet received other provincial proposals. As I indicated in my first answer to the hon. member, I am considering the situation with my officials, but I repeat once again, I will be unable to suggest a formula in the immediate future.

[*English*]

USE OF SODIUM NITRITE IN CURED MEAT PRODUCTS—POSSIBILITY OF BAN

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is for the Minister of National Health and Welfare, of which I have given him notice. In view of the fact that sodium nitrite, a chemical used by the meat packing industry in the processing of cured meat products, has been found to cause cancer when these products are consumed as the result of reaction in the stomach with other substances, I should like to ask the minister whether he is aware of this and whether any action is contemplated by him or his department to ban use of this chemical for this purpose?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I wish to thank the hon. member for giving me notice. I received the notice yesterday but I do not have the information readily at hand. However, I might advise the hon. member that my department is informed of this situation and is looking into it. I should like to give the hon. member a more detailed answer later on.

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ADMINISTRATION OF JUSTICE

ALLEGATIONS OF POLITICAL CORRUPTION IN NEW BRUNSWICK—POSSIBLE INVOLVEMENT OF ROYAL CANADIAN MOUNTED POLICE

Mr. Leonard C. Jones (Moncton): Mr. Speaker, I should like to direct a question to the Solicitor General, but in his absence I direct it to his parliamentary secretary or to his representative.

In view of the fact that an article in the *Financial Post* of November 4 last, headlined "Kickbacks flourish—New Brunswick Shrugs", alleges that cover-ups, obstruction of justice and political contributions appear to have been going on in New Brunswick both under Liberal and Progressive Conservative administrations, and that the RCMP is tightly controlled by the New Brunswick department of justice and is apparently acquiescing in the allegations, and in view of the fact that by adopting a hands off approach to political kickbacks and patronage RCMP

officers achieve the very opposite of what they set out to do, making the force politically biased instead of non-political, I should like to ask the minister these two questions.

Firstly, does the Solicitor General and his department intend to cause an investigation to be made into the allegations to prevent further disrespect for law and order; and secondly, will the Solicitor General endeavour to see to it that the necessary investigations are conducted and action taken under section 110 of the Criminal Code in an effort to deter the practice of political patronage and kickbacks, which are a sure example of—

Mr. Speaker: Order, please.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I will be glad to draw the attention of the Solicitor General to the various allegations to which the hon. member refers. A good number of them seem to me at first hearing to involve the administration of justice within the province and the responsibility of the attorney general there. However, to the extent that the RCMP is involved, even though they would be acting under contract provincially, I am sure the Solicitor General would be glad to take notice of these representations.

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[*Translation*]

INDUSTRY

UNITED AIRCRAFT—PUBLICATION OF DOCUMENTS CONCERNING GRANTS

Mr. Maurice Dupras (Labelle): Mr. Speaker, I should like to put a question to the Minister of Industry, Trade and Commerce.

Owing to the nature of information concerning the labour conflict at the United Aircraft, is the minister ready to reconsider the request made by the Quebec government which would like to know exactly what were the grants paid by the federal government to that company?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I asked for, received and reviewed this morning the statement made by a representative of UACL to La Commission Permanente du Travail, la Main-d'œuvre et l'Immigration de l'Assemblée Nationale. I have subsequently discussed the matter with my colleague, the Minister of Supply and Services, since it is this department that is the contracting party on behalf of the government of Canada, and we have agreed that the contracts themselves should be made public.

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EXTERNAL AFFAIRS

WORLD FOOD CONFERENCE IN ROME—POSSIBILITY OF OIL RICH NATIONS UNDERWRITING COST OF CANADIAN COMMITMENT TO SUPPLY FOOD

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In view of the commitment of food aid, especially by Canada and the United States, at the conference, and in view of the fact that our ability to supply this food is heavily dependent on oil and oil based fertilizer, did Canada urge the oil rich nations either to make materials available or to underwrite part of the cost of this food?

● (1530)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I am not quite sure that I understand the full significance of the question. We did underwrite the cost of the food which we committed over the next three year period. As the hon. gentleman knows, the Canadian statement is, of course, a general statement of the Canadian view, but we did not single out in that statement any particular group of countries for special attention. I understand there is some indication at present at the World Food Conference that oil producing nations are interested in the establishment of an agricultural fund, and that in fact a resolution may be coming forward on that subject, although up to the present no money has been laid on the table. Hopefully that step will be taken before the end of the week.

* * *

NATURAL RESOURCES

OFFSHORE RIGHTS OF BRITISH COLUMBIA—PURPOSE OF DEMARCATION LINE BETWEEN INLAND AND OFFSHORE WATERS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question arises out of a reply the Minister of Energy, Mines and Resources made last week to a question I asked about a test case concerning waters off the B.C. coastline. In speaking of inshore and offshore waters, he said in reply "It would be in our interest to work out with the provinces the exact demarcation of the two." I should like to ask whether this would be done in the interests of determining legal jurisdiction per se as between inland and offshore waters, or would it be with a view to staking out claims for future revenue from resources that may in the course of time be found in these waters?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. gentleman will recall that in the 1967 reference it specifically dealt with those waters which were outside the boundaries of the colony, as it then was when it came into confederation with Canada. The reference to inland waters in that case is rather obscure and it will depend on the historic reference in respect of the waters as they existed at that time. In a practical sense, in administering the offshore mineral rights, we have not been renewing leases or issuing permits in respect of what we regard as the inland waters. We think it would be desirable to start by agreeing on respective areas of responsibility. Of course, if hydrocarbons should be discovered seaward of these waters they would, of course, fall to the national account.

Oral Questions

HEALTH

MEDIC-ALERT BRACELETS—SUGGESTED PROHIBITION OF SALE OF FAKE BRACELETS

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs but in his absence perhaps I might direct it to the acting minister or the parliamentary secretary. It relates to the misuse of medic-alert bracelets. Is the minister aware that fake medic-alert bracelets have been sold in drugstores across the country for the past two years and that these bracelets are not based on a physician's advice and are not registered as are the real medic-alert bracelets? If that is the case, is the minister planning to take some immediate steps to prohibit the sale of these bracelets to the general public?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I will take note of this question. I can say that my information is that the sale of these bracelets is not illegal at the present time. I will inquire as to why they are allowed and why there are no regulations controlling their sale.

* * *

[*Translation*]

NATIONAL CAPITAL

FULLERTON REPORT—GOVERNMENT POSITION ON IMPLEMENTATION OF RECOMMENDATIONS

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the hon. Minister of State for Urban Affairs.

A few days ago the Quebec Minister of Municipal Affairs stated that the Fullerton report clearly aired views that are contrary to those of Quebec. In the circumstances, could the minister assure the House that none of the proposals contained in the report will be implemented before an agreement is reached with the province of Quebec?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, the Fullerton report was made to the Prime Minister and will be the basis of discussion at all levels of government, and especially by the joint committee of both Houses of parliament dealing with the national capital and future plans in that regard. Therefore, the Fullerton report itself will be the subject of ample and full consideration. No one is going to make any unilateral decision. I believe Mr. Fullerton has presented some options, to some of which he gives higher priority, but the matter is for parliament to determine in consultation with all levels of government.

[Mr. Macdonald (Rosedale).]

GRAIN

POSSIBLE ABOLITION OF CROWSNEST PASS FREIGHT RATES—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Justice in his capacity as the minister responsible for the Canadian Wheat Board. In view of the fact that he stated in Edmonton a couple of weeks ago that the Crowsnest pass agreement rates might be abolished, and over the weekend in Winnipeg said we should start considering the establishment of a Crowsnest pass fund, I would ask him to indicate to the House what government policy is regarding this Crowsnest pass agreement, and whether it is the government's intention to establish a fund in substitution for that agreement, and if in fact the minister wants to abolish it?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I will be glad to let the hon. member have a copy of my Edmonton speech in which he will note an indication of my belief in the preservation for the prairie farmer of the benefits of the Crowsnest pass arrangement. I suggested it may well be in the interest of the prairie farmers if the benefits were conferred upon them in a different way, specifically through the vehicle of a Crowsnest pass rate fund.

Mr. Nystrom: Mr. Speaker, is it the minister's intention to make a statement in this House outlining government policy in this area; for example, the basis on which payments will be made to the farmers, and whether we can expect legislation in this regard?

Mr. Lang: Mr. Speaker, that may well come, but at the present time, as my speech in Edmonton indicated, I put before the Canadian Grains Council the suggestion that this approach might be worthy of examination. I made it quite clear I was doing that in advance of consideration of this kind of a solution by the government. Therefore, no statement of positive policy and no prediction as to legislation is possible at this time.

* * *

INDUSTRY

TELEVISION SETS—SUGGESTED STUDY OF EFFECT OF IMPORTS ON CANADIAN MANUFACTURERS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, in light of the fact that RCA Limited in Prescott, which is the largest producer of coloured televisions in Canada, has just laid off 120 employees, and there is expectation that more will be laid off because of an increase in the volume of imported television sets, some 30 per cent in this year, will the Minister of Industry, Trade and Commerce undertake to investigate this situation to see whether a dumping operation is underway, and particularly to determine if there is a need to reimpose the tariff on television sets, and will he in the course of that investigation undertake to review standards of fire resistance of cabinets which are lower in Canada than in the United States and determine if there is some impediment to this kind of operation that is affecting Canadian workers?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will certainly refer the anti-dumping aspects of the hon. gentleman's question to the proper tribunal. In respect of the tax and tariff policies, as they affect the Canadian computer industry, we are now in the process of reviewing all aspects of commercial policy as it affects that industry as we feel there is some room for a concrete review. I am going to refer the practical administrative matters immediately to my colleague, the Minister of National Revenue, but we are looking at it on a policy basis.

* * *

HEALTH

MERCURY POISONING OF NATIVES ON GRASSY NARROWS AND WHITE DOG RESERVES—SUGGESTED CONSULTATION WITH JAPANESE EXPERTS

Mr. Paul E. McRae (Fort William): Mr. Speaker, I have a question for the Minister of National Health and Welfare regarding mercury poisoning in the English River system. It appears from a CBC documentary and information I have received about blurred vision, tingling fingers and other symptoms of mercury poisoning that several hundred Indians living on the Grassy Narrows and White Dog Reserves are in clear danger of losing their lives. Since the federal government is ultimately responsible for the health status of Indians, would the minister consider bringing Japanese experts in the field of mercury contamination to Canada to assist in a complete examination of these native people who, incidentally, are still feeding on contaminated fish?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as the hon. member knows, an intensive study has been made of the situation in that particular area. That study was made public and the report has been tabled in the House confirming the serious situation mentioned by the hon. member. I will certainly be pleased to look into the suggestion to see whether any advantage could be gained by bringing in a foreign expert to add to our present knowledge, but I must point out that the facts are known since they have been published. At the present time the question is more one of trying first to change the living conditions generally for the Indians in the area. However, I will look into the matter.

* * *

● (1540)

EXTERNAL AFFAIRS

ACTION BY CANADA TO OBTAIN AGREEMENT OF NATIONS FISHING IN GULF OF ST. LAWRENCE TO RESTRICT OPERATIONS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Secretary of State for External Affairs. In view of the alarming decline of fish catches in Atlantic Canada, especially in the Gulf of St. Lawrence area, what steps, if any, has the minister taken to inform other countries of the seriousness of this situation? Has he taken any steps to obtain agreement from all nations still fishing this area to completely restrict their fishing operations in the Gulf of St. Lawrence before this spawning area for our offshore banks is irreparably destroyed?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, on the first part of the question, of course the whole effort of the Canadian delegation at the Law of the Sea Conference, and the effort of the government, is to establish a regime which will ensure proper conservation and management techniques for the coastal state. That is the position on the first part of the hon. member's question. With regard to the second part of the question, I should like to have a word with the Minister of Fisheries on that point to see what in his view might be done through other international agencies.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—SUGGESTION MINISTERS CONTROLLED APPROVAL OF PROJECTS—GOVERNMENT ACTION

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct my question to the Acting Prime Minister. In view of the charges of the political pork barrelling that surrounds the LIP program, would the Acting Prime Minister indicate whether the practice in which ministers had complete control of approval of LIP applications within the provinces they represented has now ended and that riding allocations are now made strictly on a formula based on population figures and the unemployment figures for those ridings?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I do not accept any of the allegations. I personally did not have control of allocations in my province, nor so far as I know did any of my colleagues have control over any.

Mr. Epp: I have a supplementary, Mr. Speaker. In light of the answer given by the Acting Prime Minister, to verify his answer would he instruct the Minister of Manpower and Immigration to make available to this House all riding allocations for the 1974-75 LIP program as well as population and unemployment figures used for the calculations of riding allocations.

Mr. Speaker: Order, please. I am sure the hon. member is asking for information which will be available, if at no other time, at least when the estimates of the minister involved are being examined.

LOCAL INITIATIVES PROGRAMS—REQUEST FOR INDEPENDENT INQUIRY INTO METHOD OF ALLOCATING FUNDS

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary for the Acting Prime Minister. In view of the serious nature of the revelations made in the press in respect of the cabinet decision to clear LIP allocations in this fashion, would the minister set up an independent inquiry, which will of course not be edited as has been the case in the past, for the purpose of inquiring into all aspects of these allocations so that we in this House can

have the assurance that this kind of organized pork barrelling is not going on.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, in the answer I gave to the first question I indicated that certainly this practice did not exist in this province in which I am a member and I doubted if it existed anywhere else. When the estimates of the Minister of Manpower and Immigration are before the House this matter can be examined. That is what Parliament is all about.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*Translation*]

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

The House resumed from November 7, consideration in committee of Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade—Mr. Laniel in the chair.

[*English*]

On clause 2—*Definitions.*

The Chairman: Shall clause 2 carry?

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, in recent years the House has not had too much experience in committee of the whole procedure. I wish to begin my discussion of this bill by saying that committee of the whole is part of the House. It is not an inquiry-type operation but, rather, a deliberation-type operation. It gives us an opportunity to put forward our views in short statements and to ask question of the minister. It gives us an opportunity to carry on a dialogue so that we can give due deliberation to this very important bill. I suggest to the minister, because of the importance of this bill, that he might consider allowing us a certain amount of leeway in respect of handling the various clauses in the bill.

One proposal I wish to make is that we start on the general clause, clause 1, at which time one or two general observations can be made and the minister can respond, after which we might leave the clause open so that we can move, possibly before the end of the day, to one or two other items. Clause 3 is one in which I am interested. In this way, I would have an opportunity to put forward some suggested amendments not only in respect of clause 3 but in respect of several other clauses. The minister then would have an opportunity to look at these various amendments, refer them to the law officers of the Crown for their considered opinion vis-à-vis their constitutionality and also refer them to the drafting officers, if he should accept the proposals, so they can make sure that they are in harmony with the whole bill.

This is the first request I would make of the minister; would he let us go forward and make some observations on clause 1 in a general sense, then adjourn consideration of the clause and go to clause 3, in order to facilitate the work of the House in dealing with these amendments?

Mr. Macdonald (Rosedale): Mr. Chairman, I think the hon. member means clause 2, rather than clause 1. Our usual procedure is to automatically skip the preamble and the short title clause and go to clause 2. If the committee is agreeable, I would be quite happy to have remarks of a general nature made on clause 2. I think the suggestion of the hon. member for Qu'Appelle-Moose Mountain is a useful one. I would like to express my appreciation for his having made available to me the amendments he intends to put forward. As he has anticipated, I have sought the professional advice of my officials with regard to these amendments.

As a result of public scrutiny of this bill, particularly by those in the industry, a number of amendments of a more technical character have been suggested with regard to various points in the bill. I have been anticipating the immediate arrival of some officials with these amendments. As soon as they arrive, I will make sure that hon. members have them so they can look at them in advance of the amendments which are to be put forward by my colleagues. I look forward to having comments, and indeed will be happy to make responses if this should seem appropriate.

● (1550)

The Chairman: Order, please. Hon. members have heard the suggestion of the hon. member for Qu'Appelle-Moose Mountain as agreed to by the minister. Is it agreed that the committee go into a more general debate while considering clause 2 of the bill?

Some hon. Members: Agreed.

The Chairman: The hon. member for Qu'Appelle-Moose Mountain.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, as I understand it, we will have general remarks under clause 2 and later in the debate, hopefully today, we would adjourn clause 2 temporarily and get on with clause 3 so that I can bring forward substantive amendments and have them tabled. My general remarks will be a summary of the objectives we should have in mind.

All members of the House want to produce a good bill. All members of the House want to honour the agreement made by the heads of the 11 governments at the meeting on March 27 this year. All members of the House, I think, have agreed on the principle that we should have a lower oil price all across Canada than the world price. The level below the world price is not stated at this time. There should be however, some form of time formula stated in the bill that will make it clear to industry and to the provinces that this competitive price, to ease the strain on the commercial operations of the various agencies both

public and private dealing with oil and gas in Canada, can be made more certain and stable. These two principles, of a lower price and the staging proposal, have to be followed by a third principle, the cushion effect, which I think is adequately dealt with in the bill.

There are other principles I wish to refer to, as I mentioned in the discussion on second reading. I am not satisfied, and I do not think any member would be satisfied, with the fact that there is no mention in the bill, under the "purpose" provision, of a *quid pro quo* for the provinces. When any government is asked to make a sacrifice in the interest of the national good—in this case, a substantial amount running at the present time from $2½ billion to $3 billion per year for two provinces—I think it is only fair that we do what we can within that national purpose to make sure there is an indication by this House that, if possible, we will provide a *quid pro quo* dictated in principle by this House and not through informal discussions between the minister and the producer governments. It will, therefore, be our intention to move at least one, if not two, amendments on the *quid pro quo* principle, backing that up with a substantive amendment which will give an example of what I mean, so that the House, in effect, directs the type of *quid pro quo* that it thinks would be fair and equitable.

The final principle on which the main thrust of the debate will centre is the question of consultation. There is no doubt that under the British North America Act the ownership of land and resources resides entirely within the right of the province concerned. There is no question that the federal government has complete sovereign power in interprovincial and export trade. Here we have a situation where the power of one administration acting purely within its constitutional right has the effect, by incidence or by result, of influencing the actions of another legislature, another sovereign power, which in turn is acting purely within its sovereign right. I do not think that in this particular debate the issue at stake is the question of which level of government is the most greedy. What we are trying to do here, as a federal parliament, is to make certain that we bring forward legislation that will not be found unconstitutional and will serve the purpose which we all want it to serve.

I shall give an example of what I mean, Mr. Chairman. For 30 years, during the twenties, thirties and forties, the federal government—formed of both parties which held the reins of power during those years—in good faith used to lease land on Indian reservations to people who were not of Indian extraction; and they used to sell properties, part of Indian reservations, to people off the reservations. The money was turned over to the Indian bands.

This type of action was carried out in almost every province of Canada over many years. The inevitable happened. Although the federal government felt it was acting purely within its constitutional right, namely, that it was responsible for Indian affairs in this country and that it was doing the right thing in leasing land on Indian reservations and selling it with the agreement of the Indians, the moneys going back to the Indians so that it seemed a fair and reasonable activity by the federal government, somebody took the transactions to court. These actions went right up to the Supreme Court and the Privy Council, and it was ruled that when the lands were no longer used for the pure purpose of Indian reservations, they reverted to the Crown, in right of the province. Even though the federal government thought it was acting within its constitutional prerogative in looking after Indian reservations, it found itself in an ultra vires position in respect of these activities vis-à-vis land on Indian reservations.

The government of which I was a member had to face the fact that under the British North America Act, lands in the provinces that were not federal lands and mineral rights in the provinces which did not belong to the federal government, had to be dealt with through the legislatures of the provinces. In other words, we had to obtain the consent of the Crown in right of the provinces. In response to this conclusion, in 1958 the then minister of Indian affairs introduced two bills into this House. One was entitled, "An act to confirm an agreement between the government of Canada and the government of the province of New Brunswick respecting Indian reserves." This particular bill was passed. It has some interesting points. The facts which I have described are set out in the bill. Section 2 of the schedule reads:

> All grants of patented lands are hereby confirmed except in so far as such grants purport to transfer to the grantees any minerals and said minerals are hereby acknowledged to be the property of the province.

Even though there was agreement between the province of New Brunswick and the federal government that they would legitimize these particular transactions over the previous 30 years, the federal bill, with the agreement of the province, provided that the province still reserved the right to any minerals in these lands. The mineral rights of these lands which were transferred to the grantees, or to the people who bought or leased them, were kept within the prerogatives of the Crown in right of the province. Section 3 of the schedule reads:

> New Brunswick hereby transfers to Canada all rights and interests of the province in reserve lands except lands lying under public highways, and minerals.

I am reading this into the record, Mr. Chairman, to indicate that even though the federal government acted in good faith from 1922 to 1958 and within its constitutional jurisdiction, and felt it could handle problems on Indian reservations across Canada by taking lands out for lease or ownership, it found that it could not move without the consent of the Crown in right of the province. The British North America Act makes it clear, in sections 109 and 125, that minerals are the property of the province and the federal government cannot tax or do anything with them. If any federal action has the effect, through the principle of incidence, of hurting the interests of the other party, in this case New Brunswick, it is ultra vires. Similarly, we must consider the rights of provinces such as Nova Scotia, which provides a similar example.

● (1600)

My point is this: no matter how conscientious and hard working the minister may be, or how sincere his advisers may be, unless the minister can be absolutely certain that he is acting within the constitution we may be heading for trouble. That is why I suggested this method of proceeding, because we can consider these matters and the law officers of the Crown can consider whether, according to

all precedents, what is being done under all clauses is proper. My second point concerns consent. On page 5960 of *Hansard* of July 14, 1959, the then minister of citizenship and immigration, Hon. Ellen L. Fairclough, is reported to have said the following, in moving second reading of Bill S-6, to confirm an agreement between the government of Canada and the government of the province of New Brunswick respecting Indian reserves:

> Mr. Speaker, His Excellency the Governor General, having been made acquainted with the purpose of this bill, has given consent so far as Her Majesty's property rights are concerned, that the House may do therein as it shall think fit.

The circumstances concerning the prerogative of the Crown in which the bill of 1959 was introduced were similar to those we are now considering. Then the government, since the bill at that time affected the property of the Queen in right of the federal government, obtained consent of the Sovereign. The Sovereign said that the House could do as it saw fit. In other words, the Sovereign did not intend to put obstacles in the way of any decision the House might take at that time. That consent was obtained on the advice of the law officers of the Crown. According to *Hansard*, the minister went on to say:

> The purpose of this legislation is to ratify and confirm an agreement made on March 25, 1958, between the government of Canada and the government of the province of New Brunswick in relation to lands forming part of Indian reserves in the province of New Brunswick. The necessity for such an agreement arose from decisions of the judicial committee of the Privy Council of Great Britain in two cases involving the sale of portions of Indian reserves in Ontario and Quebec, by the federal government, following surrenders for sale given by the Indian bands for whom the reserves had been set apart . . . In both cases it was held that notwithstanding that Canada had exclusive jurisdiction over lands reserved for Indians, the radical title to the reserves was in the province and therefore, a valid agreement, after a surrender for sale by an Indian band, could only be made by the province.

The spokesman for the official opposition was the then hon. member for Northumberland-Miramichi. Apparently he knew a good deal about the matter before the House. He said in part, as recorded at page 5961 of *Hansard* for July 14, 1959:

> Certain cases were appealed to the Privy Council, and it was held that these lands were the property of the Crown in the right of the province. This means that it was necessary to take action to validate the defective grants, and negotiations between the two levels of government have been going on for some ten years and have now ended in mutual agreement.

I am making two points. First, there must be consent by both governments to any dealings affecting the property or prerogatives of the Crown. That is why the minister of that day made the sort of statement which ought to be made now in this House and whenever we are dealing with property or prerogatives of the Crown. Second, once consent to that agreement was obtained, it was ratified by legislation in the provincial legislatures and in parliament which provided the consent of the Crown in right of the province.

Speaking as a layman, I am not at all satisfied that this bill may not be declared beyond the competence of parliament. After all, the British North America Act laid down how the various powers within this country were to be divided. At present I am dealing with the narrow issue of Crown prerogatives. I submit that this bill is unsatisfactory, because the minister has not yet indicated the consent of the Crown in the federal right and there is no evidence

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

before the committee showing that the Crown in right of the province consents to passage of any parts of the bill which affect the property of the Crown in right of the province. That being so, if I were in the minister's position I would wish to consult the law officers of the Crown before answering. That is why I suggested our present procedure: we can put our views forward, the minister can transmit those views to the law officers of the Crown and receive an answer which we can consider.

Mr. Macdonald (Rosedale): Mr. Chairman, I am obliged to the hon. member for his observations concerning the matter we are discussing, and the constitution. The bill before us, in common with every other bill brought forward by the government of Canada, has been subject to the scrutiny of the officers of the Attorney General of Canada. They scrutinized the way in which this particular measure fits into the complicated constitutional matrix of our country. Those who drafted the bill have taken into consideration its possible effect on the various jurisdictions and considered whether parliament, in enacting it, would be acting within powers conferred on it under the British North America Act. Of course, I shall be prepared to discuss again with my advisers the specific questions raised by the hon. member.

May I respond to his argument by saying this: the situation that he recited which arose during the parliament in which he was a minister of the Crown is not precisely relevant to the present situation. I think a more relevant precedent, which also took place during the tenure of the government of which the hon. gentleman was a member, relates to that government's decision to enact the National Energy Board Act and carry out the national oil policy. What is involved in the present discussion, and what was involved in the discussions in the late 1950s and 1960s with regard to the national oil policy, is the question of parliament's responsibilities and rights to act with respect to resources over and above those responsibilities coming under provincial jurisdiction.

When a resource is developed and converted into an object which is offered in commerce—that is, offered for export from Canada or in trade across provincial boundaries to other parts of Canada—it becomes at that point a resource which is not under the jurisdiction of any particular provincial government; rather, it becomes the object of interprovincial or international commerce and at that point, as clearly established by various authorities over the years, becomes the responsibility of the government of Canada. That responsibility was exercised by the government, of which the hon. member was a member, in the National Energy Board Act and the creation of the national oil policy.

● (1610)

Whatever the particular responsibility may have been of the producing provinces for the production and development of oil resources, a national oil policy was established whereby west of the Ottawa Valley line, in the province of Ontario, the price of oil was to be held above the actual market price that ordinary market conditions would have dictated at that time. If the price was to be held above, that was a decision to exercise the federal power to control the national market and to divide it in this way. It was a

valid exercise of jurisdiction. In following that exercise of jurisdiction at that time, that act of the parliament of Canada was attacked, particularly in the Cal-Oil case. The Supreme Court of Canada held that administration of the national oil market, as part of the administration of interprovincial trade, was intra vires of the government of Canada. In this particular case, we are exercising an identical jurisdiction.

In this bill we are exercising jurisdiction by saying that once the particular commodities become products of interprovincial or international commerce, the responsibility clearly given to the federal government under section 91(2) of the British North America Act, for the regulation of trade and commerce, comes into play. At that point it is not only the right, but the responsibility of the federal government to regulate the national market. Provincial measures adopted from time to time, even in total agreement with the object of the government of Canada, cannot in themselves be effective. They could be effectively attacked by either a private party or another province.

Probably the best and most recent evidence that this continues to be a valid exercise of power is the decision taken by the National Energy Board with regard to setting a minimum and maximum export price for gas. At that point, the government of Canada, exercising its powers over international trade, which are no different in this regard from those over interprovincial trade, stipulated the price at which natural gas could be sold in Canada, not only in minimum but in maximum amounts. This stipulation has not been contested by any provincial government nor, as far as I know, by any private party. In this bill we are not expressly or consciously legislating or exercising jurisdiction with regard to a natural resource of any particular province. We are exercising our jurisdiction over a subject of commerce which has been, or is to be introduced into interprovincial or international trade.

I wish to refer to one other comment made by the hon. member. This issue has been raised from time to time both in debate on this and its predecessor bill. It is the question of *quid pro quo*. I suppose in every piece of legislation put before parliament it almost inevitably happens that it strikes one part of the country less evenly than another. One need only look at the equalization formula as it applies to certain provinces but not to others. One could look at each of these pieces of legislation and say, "I have to be satisfied that a particular region is getting a *quid pro quo* or I shall not support this bill."

In this, as in other cases, it is a reasonable observation that exercising this judgment as to what is in the national interest, this parliament should determine whether it is desirable to maintain some restriction on oil and gas prices in Canada for the benefit of consumers in not only this and other provinces, but even in the province of Alberta, in the sense that provincial pricing is accommodated to the interprovincial formula that has been followed. It is in the interest of Canadians generally that the Canadian economy should have the benefit of this price cushion. There should be a protective cushion against the kind of prices imposed upon the western oil consuming nations by the oil producing nations. Therefore, it is not a question of a bargain in this regard; it is a concept of what is in the national interest. I was not a participant at the March 27 meeting, but I take it that it was sufficiently in the national interest to motivate the premiers of the producing provinces, as well as the other provinces, to put forward this proposal.

I do not know what the question of a *quid pro quo* means. I do not know what the *quid pro quo* is intended to mean in this case. However, I do not think it is desirable for these major pieces of legislation which affect the economy, generally, of Canada to look for a declaration of a *quid pro quo* in so far as particular interests are concerned.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, I think the hon. member for Qu'Appelle-Moose Mountain has served a useful purpose in raising this matter as a constitutional issue. I do not share some of the views he has expressed, but I think it would be useful to have the minister's department and the law officers look into this matter so we have a clear idea of the position with respect to this legislation.

Far be it from me to pose as a constitutional expert. I am not a lawyer; I have no training in the legal field. Let me deal, first, with the matter of provincial rights. There is no doubt that the minerals, lands and forests within a province are vested in the Queen in right of the provincial government. They have all the responsibility with regard to controlling production and supervising conservation. They also have the right to certain reimbursement when non-renewable resources are exploited within their province. That is why I think it is very important, in establishing any price, that it be kept in mind that the provinces are witnessing the diminution of part of the public domain which cannot be replaced. It is not like a renewable resource such as grain or lumber. When you dispose of a mineral, oil or natural gas, the province is dispossessing itself of a resource. Once taken out, it is gone forever.

It should also be remembered that the royalties which the provincial governments receive from the development of their resources, both renewable and non-renewable, do not represent a clear gain for the provincial treasury. In a great many instances they spend millions of dollars doing surveys, carrying on exploration, mapping, building roads, and so on. If an industrial development follows their exploration, they have the responsibility of providing schools, hospitals and all the other municipal services in the area. Therefore, they are entitled to every consideration when we are talking about exploitation of their basic resources. That is why I was very disturbed when the Minister of Finance suggested in his budget last May that the royalties paid to provincial governments by resource-based industries would not be deductible from income tax. We shall go into that matter when the budget is brought down.

● (1620)

I think anything which appears to be interfering with the rights of a provincial government to develop its resources and reimburse its people for the exploitation of its public domain should be watched very carefully. Even in the matter of setting prices there has to be the maximum amount of consultation with the provinces and, if possible, agreement with the provinces as set out in clauses 22 and 50 which provide for an attempt to enter

into agreement regarding the price to be established. In a federal system such as ours, everything possible should be done by way of consultation rather than by confrontation. This is the goal which should be pursued, and these are the means which ought to be used.

Having said this, I think we should be very clear as to the powers of the federal government. To a layman like myself, it seems there can be no argument at all that the federal government has the legislative or constitutional authority to set prices outside the province in which the goods are produced. I do not think there can be any argument about its authority to fix the price once the commodity crosses a provincial or international boundary. From my reading of this bill, that is perfectly clear. Clause 20 provides:

> This part applies to crude oil which enters into international or interprovincial trade or that is mixed or blended with crude oil which has been acquired for movement out of its province of production.

Clause 24, setting out particulars, provides:

> No person shall
>
> (a) sell any quality or kind of crude oil for consumption outside its province of production,
>
> (b) purchase any quality or kind of crude oil for consumption outside its province of production

Subsequent paragraphs use precisely the same wording. Later, we come to clause 27 which reads:

> Every person who acquires any crude oil in a province other than its province of production shall keep records and books of account at its place of business in Canada, or elsewhere in Canada—

We shall, of course, be glad to hear the comments of the minister, the opinions of the law officers and arguments of hon. members generally on this point. However, it seems to me, on the face of it, that the powers which are sought in this legislation are within the authority of the federal government. As a matter of fact, I do not know how selective price controls could be possible unless there were federal jurisdiction over goods moving into interprovincial or international trade. I do not know how there could be a two-price system for oil unless the federal government had such power.

If Canadians are to be cushioned against outrageously high international prices for oil by policies enabling them to buy their supplies at a price lower than the world price, while at the same time permitting our oil to be exported at the world price, with the governments of Canada, federal and provincial, picking up the difference between the two prices, I do not know how all this could be done unless the federal government had the kind of authority contained in the legislation before us.

The provincial governments, certainly the people I have talked to in the producing provinces of Saskatchewan, Alberta and British Columbia, recognize the logic of that position. The question they raise is the one to which the minister himself referred a few minutes ago. They ask, "What is the quid pro quo?" They say, "You are not doing this with regard to steel, cement, automobiles or machinery. You are doing nothing about freight rates which have militated for decades against western Canada and the Atlantic provinces." This argument is a valid one, in my opinion. The minister cannot very well comment on it now, but I think he should tell his colleagues that the lack of anything which can be regarded as a *quid pro quo* sticks in the throats of people in the producing provinces who say, "Whenever we have something the rest of the country needs, there is a price control imposed as soon as it crosses provincial boundaries. But whenever we buy farm machinery, cement, trucks, automobiles and a host of other commodities which enter into our cost of production, we are obliged to pay the going price."

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

I believe the federal government has the right, constitutionally, to the power it is seeking in this legislation. I hope it will not be used unwisely. I should like to ask the minister, for instance, what reaction he has received from the oil and gas producing provinces to the proposals contained in this bill and the list of amendments which he courteously sent over to us. Are those provinces prepared to co-operate? What are the possibilities of getting a voluntary agreement on the price of oil under clause 22 rather than having to use the mandatory clause 36? What are the possibilities, as a result of discussion, of getting a voluntary agreement on the price of natural gas as provided for in clause 50 rather than having to use the mandatory provision in clause 52? I am not objecting to clauses 36 and 52. We shall be dealing with those clauses when we come to them.

I do not think any federal government responsible for governing the nation could carry on negotiations indefinitely as to the price of oil and gas while the public continued in a state of uncertainty. I think there comes a time when somebody must have the authority to say, "This is what the price will be." Nevertheless, I ask the minister what reaction he has received from the provinces respecting voluntary agreement. There is another question I want to ask. I think the answer to it might make a considerable difference to the attitude of the oil producing provinces. What does the federal government propose to do with any money in the export charge fund that is left over after these compensation cost payments have been made? The estimate last year was that the government would probably take in $1,300 million or $1,400 million. It was estimated they might pay out in compensation costs, in the area east of the Ottawa Valley, $800 million or $900 million. I asked the minister in the national resources committee what the government was proposing to do with any money that was left over, and he quite properly said that we should wait and see whether there was any money left over. That is why he would not allocate money he had not received.

● (1630)

I should like to know whether any money will be left over, and whether any of it will go to the oil producing provinces. Originally, when the minister made the proposal about divvying up the money from oil, the provinces were going to get 50 per cent of the export tax revenue. Now, in lieu of getting a slightly higher price for the oil, the provinces have no claim on any part of the revenue from the export charge. If several hundred million dollars are left in the fund after compensation payments have been made, then I think the provinces will feel that at least part of the money, if not all, ought to go back to them.

I think the people in the oil producing provinces are good Canadians and are prepared to say that all the money necessary should be taken out of the export charge fund to

compensate the people of eastern Canada so that they pay the same price for their oil, plus whatever transportation and handling charges there are, as other Canadians. But I think they would feel very much upset if $400 million or $500 million were left in the fund and the federal government said, "By virtue of the power that we have under the Petroleum Administration Act, we intend to take this money into general revenue". I think that would only exacerbate any feelings of resentment that there are.

I close by saying that I think, as every member here knows, that a federal system creates many problems which you do not have in a unitary form of government. It has advantages in that it makes for better decentralization and for government closer to the people. But it has the disadvantage that we are always concerned about conflicting interests between provincial and federal authorities. Anything that can be done to militate against these feelings of hostility, and to convince people that one part of Canada is not being treated differently from another part, ought to be done.

I think one of the ways of doing this is for the minister and the government to give very serious consideration to stating that if there are funds collected from oil that is exported which are in excess of the money we have to pay to compensate the people of eastern Canada, then either all this money, or certainly a substantial part of it ought to go to the oil producing provinces. If the minister can give us any information on the two or three points that I have raised, I would certainly appreciate it.

Mr. Macdonald (Rosedale): Mr. Chairman, I appreciate the comments of the hon. gentleman which, as always, are very relevant. The questions that he has put to me are, firstly, with regard to provincial reactions to the bill. I would have to say that with respect both to the provision of the export charge to fund the compensation fund and to the creation of the compensation fund itself, since these are both the direct result of the March 27 meeting of first ministers I think they can be regarded as having the support of all provinces, including the particular producing provinces he has referred to. In this regard, of course, I am talking about crude oil.

The hon. member raised the question of the prospect of a provincial agreement with regard to crude oil. Of course, such agreement does exist with regard to crude oil up until June 30, 1975. The ongoing pricing arrangement itself will have to be a matter for discussion. I understood the first ministers to say it would have to be a matter for discussion in about May of the coming year, so we can then determine what their views are as to appropriate price levels after the agreed period comes to an end.

With regard to natural gas, in effect we are really only dealing with one producing province, Alberta. In this respect, Saskatchewan and Manitoba, every bit as much as Ontario and Quebec—indeed, one might say the individual householders in those provinces, even more so than those in Ontario and Quebec, are consumers of Alberta gas—have the same interests as others in trying to moderate price increases in so far as they may occur. I think the consuming provinces, including Saskatchewan and Manitoba, would support the notion that prices should not go as they would otherwise go under the Alberta arbitration act, but that price increases should be restrained over a period of time.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I assume the same can be said of British Columbia.

Mr. Macdonald (Rosedale): British Columbia produces a fair amount of gas for itself, and exports a fair amount more. However, because of shortfalls in British Columbia producing fields, they have now become customers for Alberta gas as well. On the whole, I take it that they would be less enthusiastic about higher interprovincial prices than they might have been a year or a year and a half ago.

The area of contestation, of course—to get right to the point—will be with regard to the concept of the federal government's exercising jurisdiction, in the event agreement is not arrived at, in the national market so as to set the price of oil. Equally, failing an agreement in the case of natural gas the federal government will similarly exercise its jurisdiction. With regard to both these commodities, the province of Alberta has made it clear that it opposes this exercise by the federal government of its jurisdiction under section 91(2), and those particular provisions of the bill before us do not have their support. That has been made perfectly clear to us and we need be in no doubt about it. With regard to the agreement with the affected provinces on gas prices, I think I would have to say that the returns are not yet all in as to whether or not it would be possible to achieve some kind of agreement.

As to appropriate staging over a period of years, we have had discussions with Ontario as one of the major consumers, as well as with the government of Alberta. We put forward to both these provinces a proposal for the phasing of gas prices over a period of time. In terms of Ontario as a consumer province, the matter has been very much narrowed down to a question of mathematics. At the moment I think it is correct to say that we have not had a further response from Alberta on whether this proposal would meet their requirements. However, we are still left with the general statement by either the minister of mines and materials or the premier himself that there could be phasing, over time, of any gas price increase; but I am unable at the moment to give a final answer whether there will be an agreement on gas pricing. There does seem to be a basis for an agreement, but no agreement has yet been finalized.

As for the disposition of funds, I think I would have to acknowledge in the most general terms that the argument put by the hon. gentleman is a reasonable one. If, indeed, at some time in the future, either by a miraculous reduction in international prices or through some other regime supplanting this particular one, a substantial amount of funds collected from the export charge were left over, then I would think that the producing provinces would have a very strong argument in saying that just as 50 per cent of the export tax funds are made available to them, so they should have some expectation of looking to some part of these additional funds.

● (1640)

I would have to say, however, that the prospect, in the relative short run, of that fund remaining in a surplus

position is not that intensive. As hon. members know, we have been looking at propositions made by a number of provinces and by the private sector that Canadian exports to the United States should be reduced from the current level, which would move us from a slight surplus in the account over the compensation we have to pay to the point where, in effect, the compensation in relation to the export charge would be running in deficit.

Under these circumstances, I think I probably would have to repeat the same answer. For the time being we should be careful to maintain this fund in account, in case the claim for compensation should outrun the ability of this particular program to be funded out of the export charge. As I say, if ultimately a credit balance is established in favour of the treasury, then at that point there would indeed be every basis for discussion as to how it should be disposed of; but at the moment it looks as though we may have to look to other sources of revenue if this reduction is to continue in 1975 and 1976; that is, to provide for the fact that exports to the United States may be dropping in coming years.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Would not imports drop proportionately for a while?

Mr. Macdonald (Rosedale): I do not think that is likely, at least in the early stages before the pipeline flow would be going through into Montreal. In that event, exports would drop, but in fact the production would be shut in on a standby basis so that the same level of imports would continue but there would be a lower level of exports. It certainly would be true that at the time the flow was going into Montreal to the extent of 250,000 barrels a day on average, our liability on overseas selling would be reduced.

Mr. Symes: Mr. Chairman, would the minister permit a question on that point? If the compensation fund went into a deficit position, where would we find the revenue? Would it come out of general taxation, or would the government consider imposing an excess profits tax on some of the oil companies to recoup the necessary funds?

Mr. Macdonald (Rosedale): I must say that I would have to defer to my colleague, the Minister of Finance, in that regard. He has general responsibility, under the consolidated revenue fund, to meet that obligation. But it might be that we would have to look at some other available sources. I am sure he would consider the two sources the hon. member has suggested, among others.

Mr. Andre (Calgary Centre): Mr. Chairman, I think my colleague, the hon. member for Qu'Appelle-Moose Mountain, has some questions along the same line and I would defer my remarks until he has concluded.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I am very grateful to the hon. member for Calgary Centre for letting me go back to that point at this moment. My remarks are in reply to what the minister has said in outlining the future position on a constitutional basis. May I say at this time that I agree 100 per cent with everything the minister has said, as did the hon. member who spoke for the NDP. However, he has not met the point I was trying to put forward. I would accept the suggestion that I did not express it very clearly, because it is a very difficult point.

What I am trying to say is that property of a province in the form of land is not just subject to the legislative prerogative of that province but also to the prerogative of the Crown, and if anything happens through the principle of incidence to affect the prerogative of the Crown, then this legislation will become dubious if it goes before the courts. For example, the federal government has legislative authority to control production, whether it be of oil or gas, crossing a provincial border; but the application of that restraint on price, or control of price, has an incidence on the value of the property.

For example, if there were a surplus of $200 million, in this calendar year, of money collected by the federal government in export tax—which the federal government has the power to impose and collect—over the amount paid in compensation under this bill—and the federal government has the power to provide that compensation—I would ask, as a layman, who would own this money if the matter was brought before the courts? This is a depleting resource of the province, and in theory the property, the land or the resource is subject to the Queen's prerogative and can only be altered with the consent of the Queen in right of the province, which means its executive or the legislature. If the minister accepts the seriousness of my case, it would seem that neither he nor I can answer that question. Therefore, the amendments we shall put forward are intended to prevent this type of situation occurring. If the matter went to the courts, it would throw out the whole system which by mutual agreement we are all trying to put into this area.

Therefore, I come back to the key point raised by the hon. member for Nanaimo-Cowichan-The Islands, namely, that the way to avoid all these risks and the potential danger of court action is by agreement mutually arrived at. With such a safeguard in this legislation we would protect the ownership and the rights of the federal government in this field. I would think, therefore, that the debate has come to the crunch. We are not debating the legislative competence of the federal government in fields of interprovincial and international trade, nor are we debating the fact that the provinces own these resources; but what I am putting to the minister as a question that should be of as much concern to him as it is to all of us is, what are the law officers going to say on the question of the Queen's prerogative in respect of the ownership of these resources by the people of Saskatchewan and Alberta?

I put that question to the minister because I do not know the answer. I suggest that very few of us here have an answer, but with all the precedents this matter is worthy of very serious consideration. That is why I mentioned the case of the Indian lands, because after 25 or 30 years of doing something, to finally realize one has made a big, fat boo-boo does not mean we should repeat the same mistake. That is the message I am trying to get across to the minister in a constructive way, to see if we cannot produce better legislation.

The hon. member for Nanaimo-Cowichan-The Islands spent most of his life on the prairies. I am sure he shares with me the knowledge that the wealth of the people on the prairies, relative to the people in Ontario and Quebec,

is pretty good; but that does not resolve their difficulties. They know, as surely as they exist, that they are part of a colonial structure and even though the four western provinces produce 70 per cent of the wealth of this nation, they represent only 20 per cent or 25 per cent of our population and the representation in this House. They still get this treatment from the central provinces, even though they produce 70 per cent of the basic wealth, and there will be even more coming from our provinces. They have no say in the running of this country and no share in the national interest. We must do something to cushion the shock of the rapidly accelerating price of oil and asking that the producing provinces bear this subsidy of $2,500 million to $3,000 million out of their depleting resources.

● (1650)

The westerner keeps asking himself when he will see signs of equal status among all the provinces. Are they not all equal? Are they not all equal, not only in respect of what they receive from confederation but in respect of their responsibilities? The question I asked of the Prime Minister in respect of electricity was along the same line. Here we have one province endangering another province. I think it is potentially dangerous in the province of Ontario to have one of its plants out of operation, to have another damaged through fire, and to have a coal strike in the United States. Although this situation may not be dangerous, it could be dangerous. Ontario is still our largest industrial complex.

We all ask ourselves, on this issue, not what is right but, rather, what seems to be right; that is, when will this government apply the principle of equality on this very vital energy source, electricity, and ask the province of Quebec to consider its responsibility to the whole country and not be busily negotiating the sale of its surplus power to the United States when a neighbouring part of the Dominion of Canada needs that power.

The hon. member for Nanaimo-Cowichan-The Islands mentioned many other things. We think, in this House, traditionally of our transportation difficulties. What about lumber in the province of British Columbia? Last year, when the prairie provinces and Ontario were short, there was no action by this government to bring about equality of sacrifice. When it affects the prairies, do we get called upon to make the supreme sacrifice! I am simply pointing out, on the political issue, that perhaps this bill should be visualized by the minister as more than an administrative-legislative act to carry out the agreement of the eleven governments. As part of a policy of his government, I think he should recognize there is a political fact at stake, and he should put into the bill clauses which will guarantee reasonable equity to the provinces which are under the gun—in this case Alberta and Saskatchewan.

I speak with some feeling because this bill has political connotations. Westerners are waiting to see when the government will treat them as equals. I want to show the House this book by Dr. Ollivier, who once sat at the table where you are sitting now, Mr. Chairman. It has reference to the British North America Act and selected statutes. The preamble refers to the Saskatchewan Natural Resources Act and the Alberta Natural Resources Act of 1930. In 1905 we were not allowed equal rights to our resources, such as British Columbia and the six eastern provinces had. We were treated as a colony and told that the federal government could hand out grants of our forest resources and everything else.

Mr. Douglas (Nanaimo-Cowichan-The Islands): And did.

Mr. Hamilton (Qu'Appelle-Moose Mountain): And did. It took years for the provinces of Saskatchewan and Alberta to restore those resources that were despoiled by the greedy government in Ottawa. In 1930, the government of Canada adopted the statement that all provinces were to be treated as equals. I wish to read this section.

> And whereas the government of Canada desires that the province should be placed in a position of equality with the other provinces of confederation with respect to the administration and control of its natural resources as from its entry into confederation in 1905—

Now, at this time of national emergency because of suddenly rising prices, we lose our equality. I think the minister is aware of the political difficulty of his government in respect of the prairie provinces, and therefore he should accept the fact that in this bill there should be the appearance of fairness and he should give more than sympathetic consideration to the type of constructive amendments we are trying to put forward.

Mr. Macdonald (Rosedale): Mr. Chairman, if I might refer again to the question which the hon. member raised, I do not know whether I followed his argument exactly, but it seems to me the essence of it is that the Crown in right of a province could, by exercising its right in respect of a particular commodity, thereby oust all the legislative jurisdiction of the government of Canada. If that was the question put to me, I think the answer clearly would be no. Clearly, the powers of the government of Canada given under section 91(2) would, for example in interprovincial trade, as much affect the property rights of a province as a private individual. Surely this has to be the structure of the whole statute, otherwise there would have been no basis for the division of power in the first place.

The hon. gentleman referred to a question he posed to the Prime Minister during my absence yesterday in Calgary, with regard to the possible power interconnection between Ontario and Quebec. The first comment I would make is that there is already such an interconnection. Following the January energy conference, I wrote to all the premiers indicating our interest in establishing closer interregional connection, given the unfeasibility at the moment of the kind of national connection which is sometimes talked about in the press. I received answers from the provinces.

In particular, both Ontario and Quebec have indicated approval in principle of the concept of regional interconnection, but both laid very considerable stress on the point that they would take the lead themselves, as provinces, in negotiating those types of arrangements and, if I may say so, in a rather polite way they indicated they would not thank the federal government for telling them the kind of interconnection they should have in this regard. As to the question of an emergency export of power from Quebec, of course under the terms of the National Energy Board Act the applicant, Hydro-Quebec in this case, would have to satisfy the National Energy Board that there was a surplus available in excess of that which would meet the reason-

able demands of a neighbouring province. For example, the obligation would be on Hydro-Quebec to establish that there was not, in fact, a need in Ontario which could be met by the same block of power.

So the jurisdiction is already there and is established under the National Energy Board Act—indeed it is exercised by the National Energy Board—to make certain that if there are problems for Ontario Hydro this winter, and if it has difficulty and does not seem to be rushing for federal assistance in this regard, before a neighbouring province could export power which could assist it, that province would have to seek the concurrence of the National Energy Board, and the National Energy Board would have to be satisfied in that regard.

Mr. Andre (Calgary Centre): Mr. Chairman, we looked at this bill and its predecessor both during second reading stage and before the standing committee. We are now looking at it in committee of the whole house. Many of the points made earlier today have been made before, although I think some of the remarks of the hon. member for Qu'Appelle-Moose Mountain and the hon. member for Nanaimo-Cowichan-The Islands were very well articulated and made very good sense, at least to me and, I hope, to members opposite. In respect of the constitutional argument raised, and the minister's announcement that the national policy of 1959 established a precedent, I should like to correct a remark of the minister in which he indicated that this established a precedent that there would be a higher price for crude oil west of the Ottawa Valley line. In fact, that national oil policy did not deal with price at all; it simply stated that exports from outside Canada would not be permitted into the area west of the Ottawa Valley, leaving that area available for domestically-produced crude oil.

● (1700)

Mr. Macdonald (Rosedale): Higher priced crude oil.

Mr. Andre (Calgary Centre): The price was set by the marketplace.

Mr. Macdonald (Rosedale): No, the price was set by exercise of jurisdiction.

Mr. Andre (Calgary Centre): The price was set by the marketplace.

Mr. Macdonald (Rosedale): The price in Ontario was set by the exercise of jurisdiction.

Mr. Andre (Calgary Centre): The minister will have to show me exactly where it says that the price was to be set by the National Energy Board or by anybody else. The price was set by the marketplace. They restricted the marketplace.

Mr. Macdonald (Rosedale): If there had been a free marketplace, and not one controlled by the government, then offshore crude would have dominated it.

Mr. Andre (Calgary Centre): The marketplace was restricted, just as it has been restricted for automobiles and other things in the past, by tariffs. There is nothing new in restricting the marketplace. I think it is a rather generous extrapolation, however, to suggest that something like a tariff or a restriction of imports is tantamount to price control. It simply is not.

I am disappointed, Mr. Chairman, that the minister's reaction to the *quid pro quo* situation is that this is not in the national interest. As the hon. member for Nanaimo-Cowichan-The Islands asked, why is it not in the national interest to be concerned about the legitimate aspirations of western Canadians? Why must a problem be located in central Canada before it is a national problem, and problems elsewhere are regional problems? This attitude is at the root of many of the difficulties we are facing today. This psychological hang-up must be surmounted if we are ever to have a sense of unity in this country.

Originally, all the funds were to go to the producing provinces. Then a 50-50 split was agreed upon, with the provinces also to get the increase in the price of crude from $4 to $6.50 a barrel. The budget came out and confiscated that, but today the minister says it will be considered. I would have to see it in writing, Mr. Chairman, before I could put any trust in it. There are four cases of revenue-sharing where a commitment was made and then immediately broken.

On the matter of rights and constitutional prerogatives, there is no question that the federal government has jurisdiction over trade and commerce, and the provinces own the natural resources. But it seems to me there is also no question that there is no such thing as an absolute right, any more than the right of freedom of speech or freedom of the press allows slander or libel, any more than the freedom of religion allows one to make human sacrifice at some temple. A right is a right only to the extent that it does not impinge upon the rights of others. It is not good enough to say that because the federal government has jurisdiction over trade and commerce, they can effectively do away with any of the normal rights associated with ownership. What does ownership mean, if it entails a denial of the right to dispose of property, if it is dictated where the property shall be disposed of and at what price? Such conditions make ownership meaningless.

The hon. member for Nanaimo-Cowichan-The Islands indicated that there may be some necessity for clause 36, the veto clause which would allow the federal government to impose its will unilaterally in the case that no agreement was reached on price. It is my contention, Mr. Chairman, that this clause should be eliminated for a number of reasons. Aside from the question of whether there are constitutional powers to enact that clause, it is a slap in the face for the producing provinces. It is tantamount to suggesting that we do not have confidence in their magnanimity, that we do not trust them to act as loyal Canadians. I do not believe that is a proper attitude for the federal government to adopt.

The hon. member for Nanaimo-Cowichan-The Islands and the hon. member for Qu'Appelle-Moose Mountain referred to the numerous, long-standing grievances of the producing provinces which have been presented to the government but apparently have fallen on deaf ears. The present situation in terms of oil, gas and energy gives the west some leverage, for the first time in 100 years, through which it can demand adjustments in the policies that have worked against it for so long. If we were now to step aside,

to deny that leverage to the western provinces, it might be another 100 years before they would be in that position again.

There are other and more important reasons why the government should seriously consider removing this clause. Under the British North America Act, provincial legislatures are not without muscle. It does not take much imagination to see that several pieces of legislative artillery could be introduced by the provinces to counteract any aspect of this legislation felt to be detrimental to their interests. The federal-provincial fight has been escalating for a year and a half. In my own province it has resulted in a lot of genuine people seriously considering the future as a separate political entity. This is of tremendous concern to myself and the majority of Albertans who are Canadians first and foremost. But it is understandable, Mr. Chairman, and anybody with a little sensitivity can appreciate why some people have arrived at that point of view.

Clause 36 was not part of the agreement reached by the first ministers on March 27, yet the federal government, in effect, is saying they are going to continue the fight because under the British North America Act they think they can win it. If they continue with that attitude, there will be very serious consequences for this country which I hope we all love. But I think the country has had enough of this bickering, Mr. Chairman. It is time we came together and talked about consulting and working together, instead of fighting.

● (1710)

The first, important step the federal government should take is saying, "We have confidence in co-operative federalism and in the federal state. We have confidence in provincial premiers who are concerned for the rest of Canada. We believe we can work out our difficulties next July, in the same way as they were worked out last March." That advice does not come from me alone, nor from members on this side alone; it is expressed in a document which the Minister of Energy Mines and Resources tabled in July, 1973, entitled "An Energy Policy for Canada, Phase 1." For example, on page 9 one finds the following:

> Federal and provincial responsibilities and interests in the energy field are intimately interrelated. No national policy can be contemplated without the fullest of intergovernmental consultations and consensus.

On page 58 one reads the following:

> While the federal government considers that it is its responsibility to take the lead in the development of national energy policies, it recognizes that, generally speaking, these should evolve from the harmonization of the priorities and policies of the several provinces and of the different regional concerns.

That is excellent advice. Lower on the same page one reads the following:

> That there can be no effective set of national energy policies developed without the participation of the provincial governments is readily apparent. The provinces own 90 per cent of the assets of the electricity generating industry in Canada, they control almost 100 per cent of the oil and gas produced in Canada today, and, when the potential of the oil sands is included, they control a majority of Canada's future petroleum potential. They also hold the rights to almost all of the coal potential which will meet future energy needs. Obviously, policies developed in isolation in Ottawa hold scant hope for success.

That is precisely true. That is excellent advice prepared by the minister's department. I wish it were followed. Some may consider this a debate on provincial rights. It is not. The provinces can look after their own rights. They can muster all the legal and legislative muscle which is necessary to take care of their rights—of that you can be sure. The point is that we, as federal members of parliament who are concerned about the entire country, cannot stand aside and allow the escalation which has been continuing for the last year and a half to carry on. We have witnessed what looks like empire building on the part of conflicting bureaucracies who say, "The people of Canada be damned." That attitude is neither acceptable nor responsible.

I shall not touch upon federal and provincial jurisdiction, preferring to deal with that matter when we deal with the appropriate clauses. The bill says nothing about supply, which is regrettable. It talks about protecting consumers from unstable prices. Indeed, it is becoming ever more apparent that we need to guarantee stability of supply; we should not worry so much about price. Unless current trends are reversed, oil and gas will not be available no matter how much we are willing to pay.

I am disturbed because the bill sets no time limit for government controls. Are permanent price controls to be introduced? The minister said this is not the case and implied that this is to be a temporary régime. I agree that no one can see into the future and we do not know what will happen. Nonetheless, introducing such controls, without saying for how long they are to last, is setting a dangerous precedent which may lead to permanent price controls. If the imposition of such controls is in line with the conscious wish of parliament, then for goodness sake let us talk about it publicly. Let there be legitimate, public debate on the question and let us not sneak into a system of controls by the back door. Also, I am not satisfied with the way in which the bill deals with natural gas. Clearly, this matter has not been considered carefully enough. The government has open to it many alternatives for dealing with natural gas. Again, past actions smack more of empire building than of any legitimate response to meet a difficulty.

The subsidy program, on which I commented previoulsy, is the most complicated one can imagine. It purports to take into account every boatload of oil which arrives in this country and, on the basis of a complicated formula, to determine the subsidy which will apply to that oil. Why is a single export tax levied on every barrel of oil produced in this country, regardless of quality, place of production, specific gravity or destination? Why is it necessary to apply a complicated formula to imported oil, a formula which is difficult to administer and which has resulted, despite the government's commitment to a uniform price system across Canada, in crude oil in Montreal being less expensive than crude oil in Toronto? The subsidy program has brought this result: crude oil in the Quebec market is cheaper than crude oil in the Ontario market. That runs counter to supposed government policy. These remarks show some of the weaknesses of the bill.

Whether we are locked into our positions, and whether it is impossible or too late for change, I do not know. I hope it is not too late. I hope, if the government is con-

cerned about the unity of this country, that it will reconsider the necessity for clause 36 of the bill and withdraw it.

Mr. Macdonald (Rosedale): Mr. Chairman, I shall comment briefly on what the hon. member has said. He and his colleagues spoke about the difference in price of crude in Montreal and Toronto. Quite aside from the difference in transportation costs, the difference is qualitative, the offshore crude having a higher sulphur content than the Alberta crude and not being of the same quality.

Mr. Crouse: Mr. Chairman, I welcome this opportunity to speak on Bill C-32. I do so because of certain statements made a short while ago by the minister in response to certain questions. Having looked at the bill, I realize that it confers tremendous powers upon the federal government. As a colleague of mine suggests, they are enough to make your hair stand on end. The bill deals with gas. According to clause 2—

'gas' means natural gas or any fluid hydrocarbon or any fluid mixture of hydrocarbons other than a hydrocarbon recovered in liquid or solid state—

And so on. Contrary to the minister's statement a short while ago, I understand that the Newfoundland government will not accept a purely advisory role in the management of our east coast offshore resources. In fact, consultations held to date on the amendment question have resulted in a provincial advisory role, this being all that the federal government will concede. The minister, in his reply, can explain to the House why this is so.

● (1720)

I would point out that as a result of this adamant stand, Newfoundland has, in its determination to seek solid provincial management rights, been forced to take independent action in order to secure greater control over its offshore resources. Unfortunately, the other Atlantic provinces do not seem as determined as the government of Newfoundland to obtain this form of management and control. This is regrettable in light of the discovery off the coast of Nova Scotia, for example, on Sable Island. It is unfortunate for the province of Nova Scotia and its future.

The minister now knows the government of Newfoundland will not easily retreat from its present stand. In fact, if negotiations with the federal government fail, it is my understanding the Newfoundland government will take this issue to the Supreme Court of Canada. This is not just a matter of dollars and cents. The first decisions in this federal-provincial dispute relate to the granting of exploration and production permits in the offshore areas. What level of government will be responsible for issuing them? The exploration and production permits will determine the terms and conditions under which the oil companies will participate in the offshore development. Under this bill, who will have final authority in this matter?

Second, Newfoundland wants a strong voice in determining the type of field practices which will be carried out by the oil companies. This is very important, because it will cover such items as conservation and the rate of production. The type of field practices carried out is also a very important question in view of the area in which exploration and development will be carried out, mainly on our offshore banks where our fish stocks are spawned and where oil pollution presents a further threat to our fish resources.

I can well understand the concern expressed by the government of Newfoundland over this matter. They, like those of us who reside in Nova Scotia, realize our lack of surveillance capability in Atlantic Canada. It is in such a difficult position as to be almost absurd. This is a very valid concern that is being expressed by the government of Newfoundland, because they realize that without surveillance just about anything can happen and is happening on our offshore banks.

Finally, the government of Newfoundland believes it must have a say in determining how any resource products are marketed and used, once they are established. In these three areas the Newfoundland government has refused to accept only an advisory role. It is only fair and proper that the minister explain to this House just what the position will be, not only for the government of Newfoundland but for the other Atlantic provinces, because this is an ongoing dispute; it has not been resolved although discoveries have been made which are worth while.

In my opinion, the federal-provincial relationship should be more of a partnership than having Ottawa end up with ultimate control of these resources. I am not a constitutional expert, but it is my understanding that under the British North America Act the resources of this country belong to the provinces. By giving the federal government final control, I believe we are playing fast and loose with the constitutional balances in this country. There is no reason why our offshore resources should be treated any differently from resources found on land. I believe our provincial governments, especially those in Atlantic Canada, should back up that concept with all the force at their command. I say this because within a few years our oil and gas resources in Atlantic Canada may well be making a meaningful contribution to our energy needs not only in Atlantic Canada but throughout the eastern part of this country. The discovery of natural gas off Labrador in two areas, for example, is very meaningful. Although it is too early to evaluate the commercial potential of these two finds, they are, hopefully, the forerunners of more discoveries in this area.

In conclusion, the absence of a federal-provincial agreement on our offshore areas has unfortunately acted as a negative factor in our attempts to spur additional exploration activity. In fact, federal proposals for heavily taxing our resource companies could have a serious and damaging effect on our rate of exploration and development activities. I have raised some very important points. I have spoken about the concerns of the premiers in Atlantic Canada, primarily Newfoundland. In his reply I hope the minister will not only answer these points but will give us a little better understanding of his concept of the British North America Act and of provincial and federal rights as he sees them under the act.

Mr. Macdonald (Rosedale): Mr. Chairman, I should make it clear to the hon. member that this proposed bill does not deal with the question of exploration for and development of oil and natural gas, either in any province or offshore, or federal territory. It deals with oil and gas

marketing after the product is produced and once the intention is fixed to move it to interprovincial or international trade. In that sense, the question of negotiations with the eastern provinces and the kind of regime which will apply there are relevant and important in another context. They were the subject matter of discussion with Newfoundland, for example, by myself as recently as last week. However, the Petroleum Administration Act does not deal with that question. From the standpoint of the Atlantic provinces, it provides the means and assures that consumers of oil and oil products in the hon. member's province, the other three Atlantic provinces, as well as Quebec and eastern Ontario, will not have to pay international market prices for the products they use.

The policy of the federal government is to have this cushion which has been much objected to by some producing provinces. By this cushion we have taken action to protect the hon. member's province and other provinces from the full impact of international prices. The question he raises is very important, but in another context and in another bill. There is nothing in this bill dealing with either administration of offshore resources or, indeed, exploration and production in any province, at this point.

Mr. Crouse: Can the minister explain how gas is developed in Atlantic Canada, specifically off the coast of Labrador, to the point of selling it to Quebec, for example? Will the minister explain how this can be done by the government of Newfoundland? In other words, am I correct in interpreting the minister's comments in this way, that it will be quite acceptable for the government of Newfoundland to establish its own marketing agency for gas they discover off Labrador and to sell this gas to the people of la belle province, Newfoundland or Nova Scotia without running afoul, as we say in the maritimes, of the minister's regulations? Is this a correct interpretation?

Mr. Macdonald (Rosedale): No, Mr. Chairman. This government does not concede that the continental shelf is within the jurisdiction of the government of Newfoundland. That is really what the discussion is all about. In any event, if the gas finds were within the inland waters of a particular province, exploration and production there might well be within provincial jurisdiction. However, once the commodity was introduced into interprovincial or international commerce, the federal jurisdiction over trade and commerce would operate and this bill would apply to it.

● (1730)

Mr. Munro (Esquimalt-Saanich): I thought I heard the minister say that the federal government does not concede that the continental shelf off Newfoundland falls within provincial jurisdiction. He went on to say something about inshore waters. Could he tell us where the break-off point is? I have been asking a series of questions about this very matter and I am finding, to my consternation, that there are three—possibly four—regimes which must be considered when we are examining this question. I have been looking into the position on the Pacific coast, on the Atlantic coast, in the Arctic and along Hudson Bay to find out the circumstances which exist there. I find that certain provinces have jurisdiction in those areas, while others have not. The jurisdiction of some provinces goes to the edge of the continental shelf, and in other cases it does not.

Where is the cut-off point? What does the minister mean by "inshore waters off the coast of Newfoundland"? There is another question I should like to ask the minister. Can he tell us whether in his conversations last week he was able to reach agreement with the minister in charge of these matters, Mr. Crosbie, I think it is? Does he believe that his interpretation will prevail?

Mr. Macdonald (Rosedale): To deal with the last question first, Newfoundlanders, of course, maintain that they have jurisdiction, and the government of Canada maintains that they do not.

Mr. Munro (Esquimalt-Saanich): Oh!

Mr. Macdonald (Rosedale): I am surprised to hear that expression of surprise from the hon. gentleman, since this has been the issue for the last seven years or more. In the case of the hon. member's own province, the question was taken to the Supreme Court and it was held that the areas beyond low-water mark, with the exception of the inland waters as defined at the time of confederation, were within the jurisdiction of the government of Canada. It happens that in the hon. member's province the provincial government is more interested in preventing exploration and development of hydrocarbons than in making it possible, but that is another question altogether.

With regard to Hudson Bay, I think it is clear that beyond the low-water mark, in the grants by which the provinces of Quebec, Ontario and Manitoba were given jurisdiction, was withheld from the grant and remains in the federal sector as, indeed, it does in the north.

Mr. Munro (Esquimalt-Saanich): A complicated system.

Mr. Macdonald (Rosedale): Quite right. It is a complicated system and that is because at different times in our history different parts of the nation's territory were placed under provincial jurisdiction.

Mr. Munro (Esquimalt-Saanich): I quite understand that there is a difficulty and that the federal authorities claim jurisdiction over certain areas off the Newfoundland coast, while the province of Newfoundland claims the contrary. Could the minister give us some indication of the manner in which this difficulty is being resolved? Is it being treated as a political matter, or will there be a reference to the Supreme Court. In that case, who will make such a reference? Or will the whole thing be left to fester?

Mr. Macdonald (Rosedale): It is, of course, being treated as a political matter. That is what the negotiations of the last two years have been about. They have reached a point at which three of the Atlantic provinces and the province of Quebec are considering a possible regime which might be mutually acceptable. With regard to Newfoundland, I think the conclusion reached at the meeting with Mr. Crosbie, the minister of intergovernmental affairs, and Mr. Barry, the minister of mines, was that we would analyse proposals for the kind of administration we now have in mind, as a federal government, on the conti-

nental shelf and the kind of ambitions they have in mind, in an attempt to discover whether there is any real difference of opinion as to how the administration should be handled. This is a matter for negotiation and, quite frankly, my preference is to solve these disagreements by negotiation rather than through reference to the courts.

Mr. Ritchie: Mr. Chairman, this bill raises important questions of principle. First, it pits one region of Canada, the west, against the central market. In effect, it tells western producers that they must sell the goods they produce at a great deal less than their value. This leads us to examine the whole concept of provincial rights. In practice, the provinces are being asked to give up control over their products except that in the case of oil and gas they perhaps have a choice whether to leave them in the ground.

In the second place, the bill sets a price of $6.50 a barrel for oil without saying what is to happen in the future. Most people think the price of oil is bound to reach the world price eventually, but there is no indication here of the means by which increases in price will be permitted. At the purchase level it does nothing for conservation. By setting a lower price, consumption is encouraged. All of us recognize the need of a person to keep warm, but what about the man who drives a large car or who uses a 90 horse-power motor on his power boat when he wants to water-ski? Is he entitled to the same consumer benefits as, say, a pensioner?

The arrangements contemplated in this bill will displace the market as a means of setting the price of gas and oil. With the market no longer functioning, one has to rely on the political process, which means that one or two people with a special interest will set the price. Eventually, the whole country will suffer. In Canada, with its immense distances, market forces should prevail whenever possible or reasonable. Oil and gas are no exception. The prairie governments are very sensitive to attacks on their oil and gas interests. In fact, they are as jealous of those interests as the people of Quebec are about their language.

The struggle of the western provinces to get their natural resources back from Ottawa was long and bitter. It lasted from 1900 to 1929. Now the federal government is attempting to take those rights back again. Mr. J. W. Defoe, editor of the Winnipeg *Free Press* and one of the staunchest Liberals in history, did a great deal for the Liberal party in western Canada and much to keep this issue alive. We now have a Liberal government in Ottawa backtracking again. When the western provinces were first formed, Ottawa until 1935 treated them as if they were quite incapable of managing their own resources, even though section 109 of the British North America Act provides as follows:

● (1740)

All lands, mines, minerals, and royalties belonging to the several provinces of Canada, Nova Scotia, and New Brunswick at the Union, and all sums then due and payable for such lands, mines, minerals, or royalties, shall belong to the several provinces of Ontario, Quebec, Nova Scotia, and New Brunswick in which the same are situate or arise—

The use of revenue from resource development was accepted in principle, but when Manitoba tried to be treated like the other provinces, Ottawa refused. When the provinces of Saskatchewan and Alberta came into existence in 1905 they made a similar request and were also refused. This shows how seriously the western provinces regard this as an attack on the resources they own. The feeling was so great that the Conservative Party of 1911 had as one of its pledges that the western provinces would be put on the same footing as other provinces. Nothing came of this until in the 1920s the western progressives supported the Liberals and used this as a lever on the Liberal party to give the western provinces their resources. The government of the day bought off the maritimers with some sweeteners, since the maritimers said that they were entitled to some of the resources in the western provinces.

The federal government of that day sold a great deal of land, some 200 million acres, comprising school land, and so on, and there followed a long and bitter hassle over the amount of compensation to be paid. Alberta claimed for the coal, oil and gas that had been produced up till 1930, and to show that the federal government of that day was not interested in conservation—or perhaps, to be fair, did not take into account conservation—they drew the oil and gas leases in the Turner Valley and billions of cubic feet of gas were wasted. It took a special act of parliament to enable Alberta to enact natural resource conservation legislation.

Some people contend that the federal government is the only body with an over-all view of this country. They say it is the only body capable of marrying up conservation, production of oil and usage. Here we have an example of a provincial government having to step in to conserve a valuable reserve of natural gas. Ultimately, a royal commission awarded the two provinces $5 million, but by this time they were so heavily in debt owing to unemployment that this was a sort of saw-off.

It is very important to the western provinces that jurisdiction over natural resources remain within the province, even in times of emergency such as the present, if I may call it that. If there are emergencies arising because of price, we should not lose sight of the very important fact that the western provinces in particular, though I think all parts of Canada, will function better, nationally, if they remain in control of their resources. For example, we were told that the price of copper in Canada is lower than the world price, that we have a two-price system, but that Ontario is the main loser. Nevertheless, the province of Ontario must stand to gain something, with their large industrial base.

All the good things that have come to the west in recent years have been due to the wealth of natural resources. Saskatchewan has its potash as well as its oil fields, and these resources have made for a better economy. Manitoba has its hydroelectric development, which is still in course of completion and will be very valuable to the province. If this bill fails to recognize the right of the provinces to control their own resources, then I think unity in Canada is in for a very rough ride. The west has fought a long time, as I have detailed, to get possession of its resources and to keep them so as to preserve unto itself some clout in the Canadien confederation. If the federal government takes over the resources of the provinces through the

instrument of this bill, then the provinces themselves will move into the field.

It has been suggested by the Hon. Eric Kierans that the provincial governments would probably take over all exploration and development of Canada's resources within a period of five to ten years. Perhaps they will, and perhaps they won't; but from the tax point of view alone, the provincial governments are almost obligated to move into the field. For example, taxes on utility companies and hydroelectric companies are such that Crown corporations are at a distinct advantage. The provincial governments almost have to take over public utilities in order to stop the federal government getting too much revenue. If the provinces do move in—and they may have to—then they could do so in different ways. One way would be to do almost what the Arabs are doing in the Middle East, which is allowing companies only a few cents a barrel to pump out the oil and to claim a heavy tax. But no matter what method is used, it will not likely make for any cheaper oil and gas in the rest of the country.

I, for one, believe that the private sector has a large part to play in the oil and gas industry. I feel that letting the provinces manage and control this industry is much the best way of extracting these resources from the ground. I see little point in the provinces themselves having to take over production of the resources. I think people in general would sooner deal with private companies for their supplies of oil, gas and hydroelectric power, assuming the price is reasonable, than deal with a Crown corporation.

Now, what about the consumer? The bill seems to indicate that it is in the interests of consumers to have relatively cheap energy all across the country. I suggest that if everything were the same price across the country we would find ourselves in an impossible situation. A bill setting the price at $6.50 a barrel, giving no indication as to when the price rise will occur or how it will come about, flies in the face of any practical reasoning. If we are to have a lower price than the world market price, let us have some priority as to those who should benefit from the lower price.

● (1750)

Canada is one of the few nations of the world which increased its energy commitments and capacity in the last year. Even United States commitments and capacity have remained almost steady. The days of cheap energy are all but over. Let me quote what former energy chief John Sawhill of the United States said, as reported in the Toronto *Star* of November 12, 1974:

> I think ... the time is coming when we've got to be honest with the American people and tell them the prices of energy are going to be higher in the future than in the past.

This bill seems to indicate that we will continue to have an everlasting supply of oil at prices lower than world market prices, and that we will continue to take a "head in the sand" attitude. I suggest that because of this attitude Canada is still without a rational, all-embracing energy policy. This bill indicates to Canadians that they can go on blithely convinced that we are wallowing in energy resources. That is not the case. We have lots of energy, but it is very expensive to produce or extract. For instance, it costs in the neighbourhood of $1 billion per year per plant to extract petroleum from the tar sands. On the basis of that cost we are looking at oil in the neighbourhood of $10 to $12 per barrel.

This bill sets a price of $6.50 per barrel on oil whether it is old, new, or whatever. There may be a good argument for suggesting that old oil produced in the past and based on a lower tax structure should be put into the pot at a much lower level than new oil. However, at a time when we know that the United States is operating on the basis of $10 a barrel, and at a time when our drilling rigs are moving to foreign areas, we are allowing the same $6.50 a barrel for oil produced in a tar sands plant and for oil produced from wells no matter at what depth.

This bill does nothing to encourage the development of new supplies, and that will be important. Unless this bill shows a greater awareness of that need, we are faced with a difficult future. We are in for a rude awakening very soon because we will not have enough oil, and what we do have will be at a much higher price. Unfortunately, it is hard for people to face up to the dilemma with which we are faced. We all agree that conservation is good, but none of us really wants to practice conservation measures. This bill sets the oil price at $6.50 a barrel, with no indication as to how that figure will change. To all intents and purposes, the bill perpetuates that figure.

The conservation of oil will cost a great deal of money. Many people will lose jobs and the nation will suffer from increasing unemployment. Many people in Canada think we can escape world difficulties in respect of a petroleum shortage. They feel we will not be affected because we will be able to maintain a balance between exports and imports. Many nations of the world are becoming worried because the United States balance of imports and exports is sagging—and it is the huge United States market upon which our exports depend. Even now, our manufacturing people are finding it very difficult to sell our products to the United States market. The reason the auto pact is not working well for us is that people in the United States have stopped buying cars as a result of the high price of gasoline.

This rigidity of price in the bill is one of its features that makes me doubt its benefits. I think it will perpetuate the Alice in Wonderland approach that things will be fine, everything will work out and we will escape world difficulties in respect of oil prices. This bill is not practical in that sense, and it might help if the minister would indicate, by an amendment or otherwise, how the price of oil will increase or even decrease in the unlikely event that something happens in world markets to cause such a decrease. It would be worth while if the minister would indicate what the government plans in this regard.

We are all aware of the establishment of petrochemical plants, one in Alberta and one at Sarnia. I am sure hon. members are aware of the suggestion that the petrochemical plant at Sarnia would be adversely affected if the Canadian price of oil were equivalent to the world price. Presumably that situation will come about and that plant will find itself in difficulties. Those are the few comments I wanted to make, Mr. Chairman.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, perhaps I could interrupt the proceedings at

this point. Under an agreement I had earlier with the minister, I would ask that we revert to the consideration of clause 3 in order that I might introduce a motion so that hon. members may consider it overnight and decide how they want to treat it.

The Deputy Chairman: I would suggest to the hon. member that he read his motion into the record at this time. It will not be accepted at this moment, but it will be on the record for consideration.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, I propose to move the following amendment to clause 3:

That clause 3 of the bill on page 2 be amended by deleting line 9 and substituting therefor the following:

"province; and, where the legislative authority of the Parliament of Canada does not extend to bind Her Majesty in right of a province, then to the extent that Her Majesty in right of a province consents thereto."

I will submit copies, in English and in French, to the Chair so Your Honour will have a record of this amendment for the House journals. The motion is not being moved, Mr. Chairman; it is just being presented at this time.

Progress reported.

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, November 14, 1974

The House met at 2 p.m.

[*English*]

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed the following bills to which the concurrence of this House is desired:

Bill S-2, an act to amend the Supreme Court Act and to make related amendments to the Federal Court Act.

Bill S-3, an act to provide for a continuing revision and consolidation of the statutes and regulations of Canada.

Bill S-9, an act to repeal the Proprietary or Patent Medicine Act and to amend the Trade Marks Act.

* * *

PRIVILEGE

REFERENCE TO REMARKS OF HON. MEMBER FOR NORTHUMBERLAND-DURHAM CONCERNING HOUSE OF COMMONS EMPLOYEES—RULING BY MR. SPEAKER

Mr. Speaker: Yesterday the hon. member for Winnipeg North Centre (Mr. Knowles) raised a question of privilege in connection with certain remarks made by the hon. member for Northumberland-Durham (Mr. Lawrence) the day before. I indicated I would reserve my decision on that question of privilege and deal with it later. I think the appropriate time to deal with it is now.

In the first instance, the question of privilege relates to an interpretation of the remarks of the hon. member for Northumberland-Durham. Since his remarks were open to more than one interpretation, we did take some time yesterday, at which time I felt the hon. member for Northumberland-Durham clarified very explicitly the intent of his remarks. As a result, I feel I must accept that the clarification extends back to the time the original remarks were made. Therefore, with that clarification in mind, it puts me in some serious doubt as to whether a question of privilege exists.

In addition, I have grave reservations as to whether an allegation about the staff of the House of Commons, important as it may be, in fact constitutes a question of privilege concerning the members of the House of Commons. In any case, I am not required to decide either of those matters because the hon. member did not follow up his question of privilege with a specific motion, and for this reason no action is called for by the Chair. In any case, after hearing the clarification offered by the hon. member, I have decided against finding a prima facie case of privilege under these circumstances.

● (1410)

MR. MACKAY—FAILURE TO TABLE DESJARDINS REPORT ON PILOTAGE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a question of privilege; it is, perhaps, not a major one but it affects the rights of all hon. members and it is one which I feel creates a bad impression.

For many weeks I have been interested in the report commissioned by the Minister of Transport pursuant to section 14(5) of the Pilotage Act and entitled the Desjardins report. I have brought the matter up with the Minister of Transport on various occasions in this chamber as well as in the standing committee. I have asked for this report and I have also asked for information regarding the cost of its preparation as well as the cost of a similar one called the Marler report which was commissioned last year. I have not received this information though I wrote on November 6 asking the minister specifically whether he was in a position to let me have a copy of the Desjardins report.

It has come to my attention within the last two hours that the Desjardins report is in the hands of several solicitors in Toronto and Montreal, and to the best of my knowledge it has neither been tabled in this House nor officially released by the minister elsewhere.

With the greatest respect to the minister, and to yourself, Mr. Speaker, I suggest the omission to furnish a member of parliament with a report in these circumstances constitutes a breach of privilege. If Your Honour should find that I do have a valid question of privilege, I would move:

That the Desjardins Report be tabled immediately pursuant to the rules of this House since it has been released, in effect, to the public.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have, of course, no reason to doubt the words of the hon. gentleman. If he tells me that he knows that some people have the report in their hands, that may be possible. The inquiry was presided over by Mr. Desjardins and maybe he gave the report to a certain number of lawyers. I do not know. I cannot deny that possibility. The only thing I can say is that, as a government, we have to decide what to do about the report. This has now been decided and I believe that in a few hours, by tomorrow at the latest, I can let the hon. gentleman have a copy.

An hon. Member: How convenient!

Mr. Speaker: The hon. member has given me notice of his proposed question of privilege. I would find myself in considerable doubt as to its validity unless he were in a position to establish some legal or statutory obligation upon the minister to table the report. However, there appears to be no need to resolve this point since I presume

the undertaking given by the minister to make the report available is a sufficient resolution of the matter.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

First Report of Joint Committee on Employer-Employee Relations in the Public Service—Mr. Blais.

[*English*]

PUBLIC ACCOUNTS

First Report of Standing Committee on Public Accounts—Mr. Crouse.

[*Editor's Note: For text of above reports, see today's Votes and Proceedings.*]

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VETERANS AFFAIRS

ANNOUNCEMENT OF VISIT TO CANADIAN WAR GRAVES IN ITALY

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I am happy to announce that plans have been made for an official Canadian delegation to visit Italy next April and May to hold commemorative ceremonies in the Canadian war cemeteries. My colleague, the Secretary of State for External Affairs, has advised me that the government of Italy has enthusiastically concurred in the proposed visit.

The delegation will be headed by myself and I will be joined, on arrival in Rome, by His Excellency, our ambassador to Italy. It will be composed of representatives of the government, of the veterans organizations and of survivors of the 1st Canadian Corps who participated in the Italian campaign. This corps was in action during the period from July, 1943 to February, 1945 and involved more than 92,000 Canadian troops. More than 5,000 of them were killed or died of wounds and are buried in the Canadian cemeteries in Italy.

I am sure I do not have to remind hon. members of this House of the significance to Canada of names like Ortona, the Moro River, Rimini, the Liri Valley and the Gothic Line. These are names that will be remembered forever in our history with both pride and sorrow.

We will be holding memorial services at most of our war cemeteries in that country and, in addition, wreaths will be laid in a number of Italian war cemeteries, as the proposed dates for this visit include the thirtieth anniversary of the liberation of Italy.

My departmental officials will be contacting the commanding officers of the perpetuating units of the 1st Canadian Corps through their regimental and corps' associations for the names of those who will be included in the survivor's portion of the delegation.

[Mr. Speaker.]

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I am sure this is one statement on motions on which members of the House will hear no controversy. My only comment is that members from all opposition parties, especially those who served in Italy, could have been included in the delegation. However, I commend the minister on what I think is a significant happening, a memorial service in Italy as an extension to our Remembrance Day ceremony here in Ottawa and across Canada. In view of the fact that 5,000 of our war heroes died of wounds in Italy, this ceremony may be able to reflect their memory for their parents or loved ones who remain in Canada. I commend the minister for the thought behind this visit and I wish him and his colleagues well on their voyage.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to join with the spokesman of the official opposition in commending the minister for leading this delegation to Italy on behalf of his department and these survivors. I am glad he included survivors of the liberation of Italy. I think all those who had the opportunity of attending memorial services which were held several years ago on a similar expedition to northern Europe came back with a better understanding and certainly an appreciation of the job that is being done, not only by Canada and some of the countries with which we were associated, but by all countries belonging to the war graves protocol.

Seeing the care that has been given some of the graves of the fallen provokes a sympathetic sentiment in the minds of loved ones toward that ceremony. I, too, also hope that the representation is made as broad as possible, particularly the representation of those who participated in the Italian campaign, and that as many as possible are given the opportunity to join the minister.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, doubtless our military personnel who risked their lives on the Italian battlefield during that World War, who are still living today, as well as the families of those who gave up their lives to liberate Italy, will be happy to hear today that the minister has decided to organize a delegation to commemorate the 30th anniversary of that liberation.

Mr. Speaker, I am sure that during those demonstrations, it will not be necessary to set up police security of the same magnitude as that we are now witnessing in Rome during the World Food Conference. Our delegation will be much more welcomed, and accepted, I am sure, under those circumstances.

I would like to add, however, that the minister should consider, if he has not already done so, the possibility of including in that delegation the Standing Committee of the House on Veterans Affairs which study those matters.

Mr. Speaker, I am convinced all Canadians would willingly accept that decision. We wish the delegation a good trip and express the hope that it will help somehow to improve our relations with Italy, though they have always been good.

● (1420)

[*English*]

ROYAL CANADIAN MOUNTED POLICE

REASON FOR SURVEILLANCE OF ROY ATKINSON AND LEADERS OF NATIVE GROUPS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity, namely the shocking revelation made last night that the RCMP has been using a travel agency in Saskatoon to keep under surveillance the president of the National Farmers' Union, Roy Atkinson, as well as some leaders of Saskatchewan's native peoples.

I move, seconded by the hon. member for Winnipeg North Centre:

That the incident involving RCMP surveillance of Roy Atkinson and leaders of the Saskatchewan native people, as well as the extent, the nature of, the reasons why, and the methods employed for such surveillance be referred to the Standing Committee on Justice and Legal Affairs for an investigation and subsequent report to this House.

Mr. Speaker: The House has heard the terms of the motion. It being proposed pursuant to Standing Order 43 it cannot be debated without unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AIR TRANSPORT

PROPOSED CONSTRUCTION OF FEDERALLY SUBSIDIZED MAINTENANCE BASES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity, namely the disclosure that federal government officials are meeting with representatives of the air industry to discuss proposals for the establishment of a chain of federally subsidized air maintenance bases known in the Department of Supply and Services as "centres of excellence".

I therefore move, seconded by the hon. member for Dauphin:

That this matter be referred immediately to the Standing Committee on Transport and Communications so that a thorough investigation can be made of these proposals and their effects on present and planned bases.

Mr. Speaker: Order, please. The House has heard the terms of the motion. It being proposed pursuant to Standing Order 43 it cannot be debated without unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

MANPOWER

INFORMATION SUPPLIED ON WORKING CONDITIONS OF ELLIOT LAKE URANIUM MINES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity arising from the working conditions in the uranium mines at Elliot Lake in northern Ontario. Whereas the Ontario ministry of natural resources has released statistical information that the national average of lung cancer incidence is 13.1 per cent in comparison to a 41 per cent lung cancer incidence among uranium miners at Elliot Lake; and whereas the Canada Manpower office at Elliot Lake has undertaken a massive drive to provide new employees for the uranium mines at Elliot Lake; and whereas this same office does not inform prospective employees of the dangerous working conditions which prevail in these mines; and whereas 50 per cent of the people working in the Elliot Lake mines at the moment are adversely affected by the working environment, I move, seconded by the hon. member for Sault Ste. Marie:

That this House instruct the Minister of Manpower and Immigration to immediately order the Elliot Lake manpower office and all other manpower offices to inform prospective employees of the Elliot Lake uranium mines of the high rate of lung cancer as well as the massive number of individuals suffering from silicosis caused by working conditions in these mines.

Mr. Speaker: Order, please. I might say that the problem to which the hon. member refers in his motion is certainly not a new problem. While there is great importance attached to the motion I have very grave difficulty in accepting the fact that the simple release of some statistical information about a national average takes it out of the class of continuing problem and converts it into the class of an urgent and pressing necessity. However, because of the very grave and serious content of the motion I intend to resolve the matter in favour of the hon. member, but I serve notice on hon. members that in respect of Standing Order 43 they should make abundantly clear that the matter they are discussing is not only important but is a matter of urgent and pressing necessity rather than of continuing importance.

The motion pursuant to Standing Order 43 cannot be debated without the unanimous consent of the House. Is there unanimous consent.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be debated.

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EXTERNAL AFFAIRS

PETITION FOR CONFERENCE ON HALTING NUCLEAR WEAPONS STOCKPILING AND TESTING

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, this is not a motion under Standing Order 43 so I hope it will receive favourable consideration. I have the honour to present to the House a petition under the provisions of

Standing Order 67. Very briefly the petition prays that Canada should host a conference of Pacific rim nations immediately to gain a genuine commitment from them to act with unity to stop all further nuclear weapons stockpiling and both atmospheric and underground testing, and to achieve a necessary first step in the pressuring of China and France to sign the partial nuclear test ban treaty.

This petition contains over 1,000 signatures. If it is found to be in order it is my hope that by agreement the subject matter of the petition or the petition itself can be referred to the Standing Committee for External Affairs and National Defence.

* * *

IMMIGRATION ACT

AMENDMENT MAKING IT AN OFFENCE FOR DEPORTED PERSON TO RETURN TO CANADA WITHOUT CONSENT OF MINISTER

Hon. Robert K. Andras (Minister of Manpower and Immigration) moved the first reading of Bill S-12 (from the Senate), to amend the Immigration Act.

Motion agreed to and bill read the first time.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

WORLD FOOD CONFERENCE IN ROME—POSSIBLE CONDITIONAL NATURE OF COMMITMENT TO SUPPLY ONE MILLION TONS OF GRAIN

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. In view of the report that the Minister of Agriculture has taken the position that paying for the full one million tons of food aid in the current year in addition to the 650,000 tons to which Canada allegedly is already committed would be too costly for Canada to bear alone, I should like to ask the Secretary of State for External Affairs whether the Government of Canada now proposes to contribute one million tons in the current year on top of the alleged 650,000 tons already committed or whether the pledge made in respect of the commitment by the minister of one million tons this year and in each of the following two years, a total of three years, is now conditional in some way upon foreign financial support in meeting part of this cost to Canada or whether the commitment for that one million tons in each of the three years is still unconditional as we were led to believe last week.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the commitment with regard to the three year period is unconditional. It applies not to the current year but to the subsequent three years. That commitment is firm and involves an amount of one million tons per year. Under discussion at the present time at the World Food Conference is the apparent shortfall in the present supply of grain to meet current requirements. There is some doubt, some uncertainty at present, as to the extent of that shortfall. The range of uncertainty is in the millions of tons, and discussions are continuing to determine exactly what the shortfall will be. We have already committed 650,000 tons for the current year, and the proposals coming forward are for an additional commitment. We have not yet made a specific response to that. What we have said is that Canada, in concert with other nations, would do its share to meet the current shortfall. We believe that it is appropriate at this point that other nations put money on the table in line with the very extensive commitments which Canada has already made. When nations are ready to move in concert, Canada's response will be immediate and positive.

[Mr. Leggatt.]

● (1430)

Mr. Stanfield: The government of Canada has not made any additional commitments for the current year, I understand, over and above what has already been committed, namely, some 650,000 tons. The government of Canada has not committed an additional bushel or ton of grain in the current year. I should like to ask the minister whether, when he speaks of other countries putting forward some concrete, tangible proposal of aid themselves, he has in mind a contribution toward meeting Canada's additional costs, if Canada contributes additional wheat, which seems to have been suggested by the Minister of Agriculture in Rome. Has the minister in mind that Canada will not make an additional commitment for the current year until other countries, perhaps the oil rich countries, make a firm commitment in some other areas, for food but not related to Canada's grain?

Mr. MacEachen: There are a number of separate proposals before the conference. One is with respect to the fund for agricultural development. There has been some expectation, not yet realized in the form of concrete amounts, that the oil producing countries might undertake participation in such an agricultural development fund. Canada stands ready to participate in that as well. It stands ready to participate in additional food commitments for this year. But in the light of the very substantial commitments which Canada has already made into the future, it seems to me that it is wise not to commit ourselves to an additional $200 million this year, in line with the suggestion made by the Leader of the Opposition, until we exert every possible persuasive effort on other countries to come forward and assist in the resolution of the world food crisis. On both fronts Canada is taking a very positive attitude.

I have already indicated in my statement in Rome that there was an additional commitment of $50 million for the current year that would be made available—

Mr. Fairweather: It has been committed.

Mr. MacEachen: It has been committed but it has not been designated, and it stands ready to be designated in concert with other nations when the conference is ready to move as a unit.

Mr. Stanfield: Knowing the hon. gentleman as I do, I know that when he speaks at such great length he is in some trouble.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): You ought to know.

Mr. Stanfield: Would he please inform the House whether it is not correct that Canada has not yet committed an additional bushel of grain in the current year to feed the world's hungry? I should like to ask the minister whether Canada's willingness to make an additional commitment hinges on other countries being prepared to do something tangible with regard to some other food program or whether Canada is looking for a contribution from some other country toward meeting the cost of any additional grain that Canada may commit in the current year, which is the impression that the Minister of Agriculture has left in the statement he made in Rome?

Mr. MacEachen: Mr. Speaker, I will reiterate the statement already made that Canada stands ready to make a positive response to the current emergency situation. We have not determined the amount. We have already committed an additional $50 million for the current year that can be made available for that purpose upon government decision. We are ready to make a positive response. We are not ready to commit at this point, along the lines suggested by the Leader of the Opposition, an additional $200 million on food aid until we are satisfied that other nations accept their responsibilities and move in concert with Canada.

Some hon. Members: Oh, oh!

Mr. MacDonald (Egmont): So much for leadership!

Mr. Stanfield: I regret asking an additional supplementary question, but I put the question very clearly and I think it is important that we get a clear answer from the Secretary of State for External Affairs. Is Canada looking for a contribution from other countries toward the cost of any additional wheat that we might commit, which is the impression that has been given by the Minister of Agriculture? Is this Canada's position, that Canada wants a contribution from other countries before we commit any more bushels of wheat for the current year, or will Canada be satisfied provided other countries become involved in some other program quite distinct but supplementary to the additional grain coming from Canada?

Mr. MacEachen: There is no way in which Canada, by itself, can meet the current shortfall in wheat, either financially or by way of supply.

Some hon. Members: Oh, oh!

Mr. MacEachen: The shortfall ranges from eight million to twelve million tons. Canada is ready to participate in meeting the current shortage in concert with other nations. I believe that at this point that is a very prudent position for Canada to take, and more in the interest of feeding the hungry than the attitude of the Leader of the Opposition.

WORLD FOOD CONFERENCE IN ROME—AVAILABILITY OF SUPPLY OF GRAIN IF CANADA WERE TO MAKE ADDITIONAL COMMITMENT FOR THIS YEAR

Mr. Jack Murta (Lisgar): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. What he appears to be doing at present is hedging in his statement. If Canada were to commit itself for this year to the supply of additional grain, have we here the grain available to ship to the underdeveloped countries at this time? Do we have enough grain on hand that has not yet been committed that some could be made available for this kind of food program?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): One of the efforts that is being undertaken is to assess the supply situation throughout the world. In so far as Canada is concerned, the grains group has indicated to the conference that it might be possible to supply from Canadian sources an additional one million to one million three hundred thousand tons.

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ROYAL CANADIAN MOUNTED POLICE

ALLEGED SURVEILLANCE OF ROY ATKINSON AND LEADERS OF NATIVE GROUPS—REQUEST FOR REPORT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Solicitor General. It has to do with the report yesterday that the RCMP had been using a travel agency in Saskatoon to keep under surveillance the national president of the farmers' union. I understand that this has been confirmed by an official within the RCMP. Can the Solicitor General say whether the RCMP were acting on his instructions? If so, why did he order the surveillance? If he did not order it, will he investigate this incident and report back to this House?

● (1440)

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I am advised by the RCMP that there is no truth to the allegation that they are using a travel agency to monitor the movements of Mr. Atkinson.

Mr. Nystrom: A supplementary question, Mr. Speaker. As last night's item referred to some leaders of the Saskatchewan Indian and Métis communities as well, will the Solicitor General look into that allegation and inform the House whether it is normal practice to use a travel agency or business firm for surveillance, so that someone can be reported to the RCMP.

Mr. Allmand: Mr. Speaker, following the broadcast last night I checked into the allegations with respect to Mr. Atkinson but did not check into allegations with respect to the Métis people. I will do that. I can say that from time to time for investigation purposes these types of monitoring agents are used.

Oral Questions

POSSIBLE SURVEILLANCE OF UNION LEADERS OR POLITICIANS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, may I ask a final supplementary? Will the Solicitor General inform the House whether the RCMP has under surveillance other union leaders or community leaders, or, indeed, any politician in this country at the federal or provincial level.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the RCMP would have under surveillance union leaders or members of parliament only if they are suspected of committing criminal offences or if there were serious suspicions about their committing breaches against the security of the country.

Some hon. Members: Oh, oh!

Mr. Allmand: Mr. Speaker, generally speaking we use the criteria adopted by parliament in the Privacy Act as the basis for conducting investigations into breaches of security.

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[*Translation*]

TRADE

REQUEST THAT CANADA BUY SUGAR FROM EUROPEAN ECONOMIC COMMUNITY

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to direct a question to the hon. Minister of Industry, Trade and Commerce.

Could he tell the House whether his department is examining the possibility of Canada getting its supplies of sugar from the EEC countries rather than from the world market as it does currently, which could result in a 65 per cent decrease in the price of sugar?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, this situation is under review, of course, from the point of view of the department.

Mr. Hees: Yawn, yawn.

Mr. Gillespie: However, I am not at all sure that there are plentiful supplies of sugar in Europe. Indeed, Great Britain at present faces severe shortages.

[*Translation*]

Mr. Beaudoin: Another supplementary, Mr. Speaker.

Could the minister advise us whether he or the government would be prepared to sign a long term agreement directly with a producer country in order to eliminate the middle men?

[*English*]

Mr. Gillespie: Mr. Speaker, generally speaking, the trade has been conducted well between members of the private sector and supplying agencies. However, the government to government aspect of the hon. member's question is a matter which will be considered.

[Mr. Allmand.]

PUBLISHING

POSSIBILITY OF CANADIAN WEEKLY MAGAZINE IF INCOME TAX CHANGES MADE

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Secretary of State. Since the Secretary of State is being definitely informed that if certain changes are made in the income tax field at least one Canadian publication will be on the market in Canada on a weekly basis, can he explain the delay in arriving at a decision in this matter?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I think it would be exaggerating to say that I have been informed in such definite terms. However, any decision on the question which preoccupies the hon. member will be made in a broader context, and not necessarily at budget time as he has suggested.

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PENITENTIARIES

COWANSVILLE—ALLEGED FAILURE TO PUT OUT NATIONWIDE POLICE ALERT ON ESCAPE OF GAGNÉ

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question and a possible supplementary are directed to the Solicitor General. They have to do with the case of Arthur Gagné, the convicted murderer who failed to return from a week-end pass from Cowansville penitentiary on August 18 and who is still at large, despite being accused of two killings on November 2. Is the Solicitor General aware of the fact that, although Cowansville penitentiary reported to the Quebec Provincial Police on August 19 that Gagné was wanted for escaping custody, CPIC, the RCMP computer system which is designed to alert police agencies throughout Canada about people wanted by the police, did not report that Gagné was wanted until September 28, thus giving this convicted murderer more than one month before the nation-wide police alert was issued.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, under the system we use in Quebec, when an inmate escapes—

An hon. Member: You use smoke signals.

Mr. Hees: You've had lots of practice these days.

Mr. Allmand: —the penitentiary services advises the closest detachment of the Quebec Provincial Police, which is supposed to put the warning on the police network and inform other detachments in the province.

Mr. Beatty: Mr. Speaker, apparently the Solicitor General's answer was, no. As the QPP said that they entered this information into the CPIC system at 11.04 a.m. on the morning of August 19, and there was no print-out giving Gagné's name and the fact that he was wanted until September 28, can the minister explain how this happened? Will he assure the House that it has not happened on previous occasions or since then, so that convicted criminals who have escaped custody will not be allowed at

least one month's freedom before the police systems in Canada are alerted through CPIC.

Mr. Allmand: Mr. Speaker, I will check into that latter point. In the past, the procedure upon which we acted was that the penitentiary service would advise the closest provincial police detachment, which would put the news into their information system. I will check into the other part of the hon. member's question.

* * *

CONFLICT OF INTEREST

KNOWLEDGE OF MINISTER CONCERNING ARRANGEMENTS FOR USE OF BRONFMAN JET FOR TRIP TO ISRAEL

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the minister's answers on Tuesday that all arrangements for his trip to Israel had been made by the Israeli Embassy, would the minister indicate if he had no previous knowledge of the proposed use of the Bronfman jet before the embassy made formal arrangements for his official visit to Israel; and, specifically, would the minister clarify if the suggestion to use the jet was first raised during discussions between himself and his officials and Mr. Bronfman or his officials some time before the embassy made the final arrangements for his Israel visit.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the first time it was raised both Mr. Bronfman and the Israeli Ambassador were present.

Mr. Stevens: A supplementary question, Mr. Speaker. Was the minister present?

Mr. Lalonde: Mr. Speaker, that is what I said. I was present with the Israeli Ambassador and Mr. Bronfman.

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EXTERNAL AFFAIRS

WORLD FOOD CONFERENCE IN ROME—CANADIAN ATTITUDE TOWARDS TRADE NEGOTIATIONS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Secretary of State for External Affairs and relates to the question I raised with him on Tuesday concerning the approach of the group of 77 and the question of adopting certain trade resolutions, particularly those to do with the export of basic agricultural products to many underdeveloped countries. The minister indicated that he knew of no action on the part of Canada to block any serious consideration of these proposals, presented primarily by Mexico. Since then, the other resolutions have been the subject of negotiation with the contact group, so will the minister indicate what Canada's attitude is on coming to some decision on important trade questions which affect almost all underdeveloped countries.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, if I may reply to the question which was asked earlier in the week and was based, as I understand, on a newspaper report that the Canadian delegation was filibustering in committee 3, let me say that that is an inaccurate report. On the contrary, the Canadian delegation has been urging committee 3 to get on with its job and expedite its discussions.

As for the trade question, although I have not the particular resolutions in front of me, it came under discussion in that committee. The general attitude of the Canadian delegation is that the trade question should not be dealt with at the world food conference. The appropriate forum for that discussion will be the upcoming trade negotiations in Geneva. That is our general position. I have stated both at Rome and here that our attitude is sympathetic. We hope that the trade negotiations, when they do take place, will confer additional advantages on the developing countries at that time.

● (1450)

Mr. MacDonald (Egmont): A supplementary question. The minister's earlier replies indicated somewhat of an openness on the part of the Canadian position. In view of the fact more than 100 countries took the very strong view at the Rome food conference that the GATT is not the appropriate forum because of its past history in connection with agricultural products and the on-again off-again situation with respect to GATT's presence, is the minister conferring with his officials in the hope that Canada might take a more positive attitude toward the initiative of the underdeveloped countries in the hope we can make substantial progress with respect to a number of trade irritants for the underdeveloped countries and alleviate some of the causes of this continuing shortage of foodstuffs that is going to face us in the foreseeable future?

Mr. MacEachen: Mr. Speaker, I certainly agree with the general philosophy of the hon. member's question. The point of difference is that it would not be possible to negotiate trade arrangements at the Rome conference. The place to do it is at the GATT. At that point we will justify the hon. member's confidence in the possible benefits that may accrue from these discussions.

[*Translation*]

APPROVAL BY CANADIAN DELEGATE OF SPEECH BY YASSER ARAFAT AS INDICATION OF GOVERNMENT POLICY

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to put a question to the Secretary of State for External Affairs.

Could the minister tell the House if the actions in the United Nations yesterday of the member of parliament for Montréal-Saint-Denis, an almost permanent member of the Canadian delegation, who ostensibly rose and greeted with heavy applause the speech of the Palestinian leader, truly reflect the approval of the Canadian government concerning the claims of Yasser Arafat, thus replacing the abstentionism which has prevailed to date?

[*English*]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I have not been aware of

the results of the applause metre, but applause is not the method which we use to expose government policy.

Some hon. Members: Hear, hear!

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[*Translation*]

IMMIGRATION

REQUEST FOR ASSURANCE DEPORTED HAITIANS NOT SUBJECT TO REPRISALS

Mr. Claude Wagner (Saint-Hyacinthe): While we are waiting for the minister to check what happened at the United Nations and to be handed a report by his civil servants which he can table in this House, on the same subject—the United Nations—I would like to put a question to the Minister of Manpower and Immigration.

Could he report to the House on the discussions he had this week at the United Nations when he met the members of the Haitian delegation, and could he tell us if he is personally capable of assuring this House that there will be no reprisals in Haiti against those who will be deported? If reprisals are possible, is the minister in a position to make special arrangements so that these Haitians can stay in Canada?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the hon. member is misinformed. I did not meet with the Haitian delegation at the United Nations in New York. I met with the United Nations High Commissioner for Refugees who will be issuing a statement today indicating that our discussions on a whole range of matters concerning refugees, including the matter of Haitians, were extremely constructive. There was complete agreement as to the current handling of these cases on the basis of individual merit which is the standard practice of the United Nations High Commissioner for Refugees. We also discussed other matters upon which I will be glad to inform the House on some other occasion. It was a very satisfactory meeting.

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NORTHERN AFFAIRS

RAPID TURNOVER OF EMPLOYEES OF TERRITORIAL GOVERNMENT—ALLEGED NEW TARGET FOR NUMBER OF NATIVE EMPLOYEES

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. In view of the very high turnover in Northwest Territories territorial government staff in the past few years, roughly 27 per cent in both 1972 and 1973, will the minister explain to the House what plans he has to counteract this high rate of turnover?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, we have been distressed by this rate of turnover. Earlier this year we established a group within the Public Service Commission known as Northern Careers. It was charged with the specific purpose of trying to reduce the turnover and to secure a more substantial number of native employees in the north, particularly in the middle and senior management positions.

Mr. Firth: As there is an extremely high rate of unemployment among the Indians and Innuits in the Northwest Territories at this time, will the minister explain why the territorial government has set a new target of 10 per cent northern staff by 1975, a cut-back of 65 per cent from targets set by the minister's predecessors? Is the minister admitting defeat in this area?

Mr. Buchanan: No, Mr. Speaker. I am not certain of this figure. I know that within the federal service the figure is roughly 18½ per cent for native employees. I will have to look into the one for the territorial government.

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CANADIAN BROADCASTING CORPORATION

ALLEGATION CRTC ASSUMING ADMINISTRATIVE AUTHORITY OF CORPORATION—REQUEST FOR REFERENCE OF REPORT "RADIO FREQUENCIES ARE PUBLIC PROPERTY" TO STANDING COMMITTEE

Mr. Jean-R. Roy (Timmins): Mr. Speaker, my question is for the Secretary of State. Now that the chairman of the CRTC has taken over the authority to administer the CBC and is trying to take over the authority of parliament itself, will the minister refer the report entitled "Radio frequencies are public property" to the Standing Committee on Broadcasting, Films and Assistance to the Arts for study and recommendation?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, if I may offer a personal view on the premise, I do not think there is a shade of truth in either. I will have to look into the report which the hon. member mentioned and report back to the House or to him directly.

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EXTERNAL AFFAIRS

PARTICIPATION BY CANADA IN DEBATE ON MIDDLE EAST AT UNITED NATIONS—GOVERNMENT POSITION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Can the minister today advise if the government is any closer to deciding whether Canada is going to take part in the United Nations Middle East debate, especially in view of the speech given yesterday by the representative of the Palestinian Liberation Organization?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Yes, Mr. Speaker. I think it is certain there will be a statement by a Canadian representative before the close of the debate. I am not sure when that statement will be made, but it will be made.

Mr. Fraser: Can the minister advise whether Canadian participation in the debate will be directed, among other

things, to making it clear to the world that the Canadian position that Israel has the right to exist within secure and recognized boundaries is completely inconsistent with the PLO position, which was reaffirmed in June 1974 and again yesterday at the United Nations, that its aim is to establish a Palestinian state within the boundaries of the British mandate as of 1948 which will of course mean extinction of the state of Israel.

Mr. MacEachen: Mr. Speaker, the statement is under consideration at the present time. I hope that when it is given it will satisfy the hon. member in at least a number of points he raised in his question.

WORLD FOOD CONFERENCE IN ROME—POSSIBILITY OF SUPPLYING WHITE BEANS TO NEEDY COUNTRIES

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, my question is for the Secretary of State for External Affairs. In answer to a question a few moments ago, after consultation with the minister responsible for the Wheat Board, the minister indicated that there may be trouble supplying the amount of grain Canada might like to commit to needy countries. Has the minister given consideration to using a considerable amount of white beans from the Ontario Bean Marketing Board which are presently available and waiting to be shipped?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the hon. member will be pleased to know that we committed ourselves at the Rome conference to increase our non-grain food commitment by 50 per cent for the three forthcoming years. Hopefully this item can be considered for inclusion as part of our food aid.

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COMMUNICATIONS

INCREASED PROFITS OF BELL CANADA—GOVERNMENT POSITION ON ALLOWABLE LEVEL OF PROFITS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Communications. When announcing the government's agreement to increase Bell telephone rates on September 6, the minister assured the House and the people of Canada that his department would consider monitoring the financial operations of that company. As the profits for Bell Canada under the old rates for the first nine months of this year represent a 24 per cent increase over the same period last year, will the minister inform the House whether his department has reached a conclusion that the previous agreement to increase rates might have been mistaken and some kind of roll-back should be brought into effect.

● (1500)

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, we are keeping a close watch on these developments. The figures that the hon. member has just given are probably exact, but are part of an average. They do not take into account the actual curve which might possibly lead us to conclusions that, to say the least, would be doubtful for the moment. However, we are still proceeding on this.

[*English*]

Mr. Broadbent: Most Canadians having reached the conclusion that profits are too high, would the minister inform the House at what level of profit his department would reach the conclusion that the rates charged by Bell Telephone were too high?

[*Translation*]

Mr. Pelletier (Hochelaga): I think, Mr. Speaker, that the member should know that; the pertinent figures are given in a public paper. The decisions of the CTC deal with a certain percentage of revenue, but apart from that percentage, the CTC no doubt would feel that the profits have been either too low or too high. The percentage is defined in the decision of the Canadian Transport Commission.

[*English*]

SUGGESTED USE OF FORMULA FOR GRANTING RATE INCREASES TO BELL CANADA

Mr. Edward Broadbent (Oshawa-Whitby): My final supplementary relates to the comment made by the President of Bell Canada in a speech in Montreal yesterday to the effect that Bell would welcome a proposal that it be granted some kind of formula whereby it would not be obliged to seek approval for future rate increases from a public authority. Would the minister assure the House that the government has no intention of conceding a formula which would permit the automatic escalation of Bell Canada rates?

Hon. Gérard Pelletier (Minister of Communications): Such an assurance was given on September 6. For the time being, the government has absolutely no intention of moving to the indexation approach. At the same time it was, of course, pointed out that the government would not stifle the discussion of any subject and that if the CTC wished to hear people as to the merits or demerits of such a suggestion we would have no objection.

* * *

FINANCE

SUGGESTED RELEASE OF REPORT ON GROWTH OF GROSS NATIONAL PRODUCT—GOVERNMENT POSITION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to address a question to the Minister of Finance. Now that it has been established in this House that Ministers of the Crown receive reports from Statistics Canada some days prior to their publication, is the minister in a position to table the report of Statistics Canada concerning the growth of the gross national product for the third quarter—a report which the hon. gentleman will use in the preparation of his budget—so that the House may better consider the budget in its true light?

Hon. John N. Turner (Minister of Finance): I do not have that particular report in hand. In any case, I would not want to destroy the symmetry of what I have to say.

Some hon. Members: Oh, oh!

* * *

CONFLICT OF INTEREST

BASIS ON WHICH MINISTER OF NATIONAL HEALTH AND WELFARE ACCEPTED USE OF BRONFMAN JET FOR TRIP TO ISRAEL

Mr. Lincoln M. Alexander (Hamilton West): I should like to follow up by way of a supplementary the question addressed by one of my hon. friends to the Minister of National Health and Welfare. On November 12, the minister told us that all the arrangements for his trip to Israel had been made by the Israeli embassy. Subsequently, he said he relied on arrangements made by them. Now, we find out that the minister was part and parcel of the arrangements with respect to the use of the plane. On what basis did the minister think the use of a private plane would be the correct manner to travel to Israel?

Hon. Marc Lalonde (Minister of National Health and Welfare): What I have said does not change anything I have said previously on this subject. The matter was raised for the first time in the presence of the Israeli ambassador and since for several months I have had a standing invitation to go to Israel, I said that if the time were convenient to the Israeli Ambassador and the Israeli government, and if this means of transport was convenient I would leave the matter of the arrangements to the Israeli embassy. And the Israeli embassy took it from there.

Mr. Alexander: I am under the impression, and I think I am right, that the minister knew, sooner or later, and more particularly before he left—

Some hon. Members: Oh, oh!

Mr. Alexander: —in the company of the Ambassador and Mr. Bronfman that he would be using a private plane. On what basis did he consent to travel in this way and on what basis did he believe it would be proper for him to use this private plane?

An hon. Member: On the basis that he could not walk across the Atlantic!

Some hon. Members: Oh, oh!

Mr. Speaker: Order. This is the last type of subject on which I want to intervene. However, the minister has been asked several times on what basis he thought that this was proper and he has replied consistently, it seems to me, that the arrangements were made by the Israeli embassy. To ask the minister to repeat the same answer seems to me to be counterproductive.

[Mr. Lambert (Edmonton West).]

SUGGESTED REFERENCE OF USE OF BRONFMAN JET BY MINISTER OF NATIONAL HEALTH AND WELFARE FOR TRIP TO ISRAEL TO STANDING COMMITTEE

Mr. Joe Clark (Rocky Mountain): A supplementary to the Prime Minister. In this House on November 12, the right hon. gentleman, answering a question I had put to him, said that the trip by the Minister of National Health and Welfare was excepted from the prohibited kind because of the suggestion—and I quote the right hon. gentleman's words—that the trip had been "arranged by the host government." The minister concerned has now indicated to us that in fact he was present at and party to the decision to use a private jet for a public trip. Consequently, this trip was not in the category exempted according to the Prime Minister's answer. In the light of possible conflict of interest involved here would the Prime Minister agree to have this whole question referred to an appropriate standing committee of the House so that hon. members might consider in an official way all the arrangements connected with the trip and so that we could help establish guidelines which should prevail in the future in case other ministers show the kind of judgment displayed by the Minister of National Health and Welfare?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, without conceding the premise of the question, one which I don't accept, may I say that I agree, of course, with the suggestion made by the hon. member. I would remind hon. members that the government has put to the House and to the standing committee the whole question of conflict of interest as it applies to all members and, of course, any member of the House could help to bring this particular matter before that committee. It would apply to all members, of course, as well as to ministers. I am not precluding any discussion, necessarily. I am just asking opposition members, particularly, to get on with it.

Some hon. Members: Hear, hear!

Hon. George Hees (Prince Edward-Hastings): A supplementary to the Minister of National Health and Welfare. Now that he has made the trip to Israel and back again in the Bronfman plane, may we expect another blast against the brewing industry in the near future?

* * *

HEALTH

STRIKE OF PHARMACISTS IN QUEBEC—GOVERNMENT INTENTION WITH REGARD TO BILL S-9

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, my question is one I was attempting to ask last week of the Prime Minister. But since the Minister of National Health and Welfare has now returned, I will ask him whether he has been made aware of the strike of a large group of pharmacists in Quebec last week and whether, knowing the background of this strike and its serious implications, he will indicate by withdrawing or revising Bill S-9 the federal intention to protect the interest of the consumer and deter restrictive and costly retail practices?

Hon. Marc Lalonde (Minister of National Health and Welfare): Bill S-9, which I hope will be introduced in the

House very soon, is intended to protect consumers and to improve access by consumers to information on drugs sold over the counter.

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[*Translation*]

PUBLIC SERVICE

LACK OF TRANSLATORS TO PROVIDE TRANSLATIONS OF DOCUMENTS FOR COMMITTEES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the President of the Treasury Board.

Since the papers tabled at the special committee on egg marketing at the request of the members of that committee are originally in English and that there is a much too long delay before we get the French copy, may I ask the minister whether translators are scarce and if so, can he also tell us whether additional staff will be hired to correct that condition?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I will inquire. I do not know whether there is a scarcity of translators, but it happens sometimes that the demand is heavy and that it is impossible to anticipate all circumstances, especially the tabling of papers. It is difficult to expect the Translation Bureau to produce instant French versions when they have not been advised a few weeks in advance.

● (1510)

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary question.

Although I am willing to accept the minister's reasons, I should like to ask him whether, in the case of documents from an established agency, existing documents which are not new and which are necessary for the information of committee members, it would not be possible to strive to provide translations as soon as possible, I mean, within 24 hours.

Mr. Chrétien: Mr. Speaker, we have always asked, as well as the government, translation services to give priority to the documents of interest to the House of Commons.

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[*English*]

CANADA CORPORATIONS ACT

USE OF LIST OF STOCKHOLDERS SUPPLIED UNDER ACT AS MAILING LISTS FOR UNSOLICITED JUNK MAIL

Mr. John Wise (Elgin): Mr. Speaker, I have a question I should like to direct to the Minister of Consumer and Corporate Affairs. Why does the minister or his department allow the practice to continue whereby, under the Canada Corporations Act, chapter 10, section 111, subsection (1), any stockholder of a company can receive on request the names of all other stockholders, in view of the fact that some individuals or organizations are abusing this privilege by sending out propaganda unsolicited, and indeed in many cases what is simply junk mail, to persons having no desire to receive it?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, the hon. member must be aware that this bill was brought before the House to be significantly amended. It has now been referred to the Standing Committee on Justice and Legal Affairs, and I should invite the hon. member to submit his representations to this committee where he will obtain all pertinent information either from me, my parliamentary secretary or a departmental official.

* * *

[*English*]

ENERGY

COAL SHORTAGE IN UNITED STATES—POSSIBILITY OF SUPPLY FROM MARITIMES AND WESTERN CANADA

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the serious coal shortage which is developing in the United States, will western Canada and the maritimes be requested to supply coal to central Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, while arrangements between the provincial government and the federal government have been underway regarding a longer term shipment of coal both for steaming and metallurgical purposes to central Canada, it is not likely that those arrangements will be completed within the very immediate future.

* * *

TRANSPORT

ABILITY OF RAILWAYS TO HANDLE EXTRA COAL FROM MARITIMES AND WESTERN CANADA

Mr. Gordon Towers (Red Deer): Mr. Speaker, may I put a supplementary question to the Minister of Transport. Can Canada's transportation system handle this extra coal that will have to be brought from the west and the east?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am afraid I missed the first part of the question; would the hon. gentleman please repeat it.

Mr. Towers: Mr. Speaker, the fact is that central Canada is going to run out of coal as a result of a shortage and a strike in the United States. In view of the fact that coal has to come from eastern and western Canada, I am wondering whether Canada's transportation system will be adequate to meet this extra requirement?

Mr. Marchand (Langelier): I hope so, Mr. Speaker. We have instituted a monitoring system so that we have all the rolling stock in the right place at the right moment, and I hope this will be the case here.

Oral Questions

REGIONAL ECONOMIC EXPANSION

STUDY OF SITE FOR STEEL MAKING COMPLEX ON EAST COAST—DATE OF PUBLICATION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. On October 30 I posed some questions with regard to the Canstel study concerning a steel complex on the east coast. At that time the minister stated that translation difficulties were holding up the tabling of the report, and he said it might be tabled within a week or ten days. Has the minister any further information to give the House today about when the report will be tabled?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, the situation is precisely as the hon. member outlined; the report is ready except for translation. If I can make the necessary arrangements today I will be meeting with Premier Regan in Halifax, either tonight or tomorrow, and we will be discussing the report. I will not be giving him an official copy, as it were, but I will try and get the report into the House next week as soon as the translation is completed.

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CONFLICT OF INTEREST

REQUEST FOR REFERENCE OF SUBJECT MATTER TO COMMITTEE—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct a question to the government House leader. In view of the impression the Prime Minister gave that the question of conflict of interest has already been referred to committee, whereas in fact there has been no such reference in this parliament—I am sure the Prime Minister did not mean to mislead the House in any respect but he did create a wrong impression—would the government House leader give the House his assurance that he will move the reference of this question to the appropriate committee at the first opportunity?

Hon. Mitchell Sharp (President of the Privy Council): Yes, Mr. Speaker, I can give that undertaking. I intend to move such a reference, just as a reference was proposed in the last session.

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AGRICULTURE

SUGGESTED ENFORCEMENT OF AGREEMENT TO PLACE LAND IN GARDINER DAM AREA UNDER IRRIGATION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Prime Minister. In view of the statement in the Speech from the Throne that the government will propose a number of measures to increase food production, and in view of the statement made in Rome that world food production must be increased, can the Prime Minister inform the House whether or not the government is taking steps to enforce the federal-provincial agreement of 1958 requiring the government of Saskatchewan to place 50,000 acres under irrigation in the Diefenbaker Lake, Gardiner dam area?

[Mr. Marchand (Langelier).]

Right Hon. P. E. Trudeau (Prime Minister): I will inquire, Mr. Speaker.

Mr. Nystrom: Mr. Speaker, I rise on a question of privilege arising out of the answer given to me by the Solicitor General to the question that I raised earlier today. Since the reply to my question, my office has been in touch with the travel agency concerned, and I find that the Solicitor General has misinformed the House, giving us only part of the answer. The travel agency informs me that the RCMP have been in touch from time to time with various people. They have been in touch with the travel agency some time ago regarding a trip by Mr. Atkinson to Prince Edward Island.

My question of privilege is that I think the Solicitor General should clarify some of the statements that he made. For example, he referred to the fact that the RCMP would not be checking on anyone unless they were suspected of subversive or criminal activity. Since they have been checking on Mr. Atkinson on at least one occasion and on other people, I wonder whether or not the Solicitor General does suspect him or anybody else of subversive activity.

Mr. Speaker: Order, please. The hon. member must realize that he is pursuing, after the conclusion of the question period, a supplementary question to the Solicitor General. While this may be desirable on the basis of information that he has, the matter may be worth pursuing on another question period, perhaps tomorrow. I really cannot see that further questioning of the Solicitor General at this moment under the guise of a question of privilege is permissible under the rules.

Mr. Allmand: Mr. Speaker, on the question of privilege, I think the question that was put to me was whether or not Mr. Atkinson had recently been subject to surveillance by the RCMP, and the answer to the question is no. Whether at some time in the past he was subject to surveillance I did not inquire of the RCMP. I think reference was made to 1971 or 1972 so I would have to check back.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. MacLean: Mr. Speaker, I should like to ask the House leader whether he would make his usual statement regarding business that the government proposes to place before the House in the coming week.

Mr. Sharp: Mr. Speaker, we will continue today with consideration in committee of the whole of Bill C-32. If we finish that today we shall proceed to Bill C-25, followed by Bill C-10. Tomorrow, of course, will be an allotted day pursuant to Standing Order 58.

On Monday evening at eight o'clock the Minister of Finance will present his budget, and in accordance with

Standing Order 60 I request that the appropriate order of the day be designated. The budget debate will be resumed on Wednesday, November 20, and unless otherwise announced will be continued without interruption on consecutive days.

On Monday afternoon and on Tuesday we will be dealing with legislation. The report stage and third reading of Bill C-14 is of high priority, since it may be best to send this bill to the other place before we become involved in the budget debate. Another urgent item is Bill S-7 which is now at the report stage.

Mr. Speaker: Is the order requested by the President of the Privy Council during the course of his remarks agreed to by the House?

Some hon. Members: Agreed.

Mr. Speaker: The hon. member for Winnipeg North Centre on a point of order.

● (1520)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, regarding the business of the House for the ensuing week, may I ask the government House leader whether he is in a position to report further on the answer he gave me a week ago today concerning the giving of a special term of reference to the Standing Committee on Veterans Affairs?

Mr. Sharp: Mr. Speaker, I have been discussing this matter with my colleague, the Minister of Veterans Affairs, and we have just about agreed upon a reference.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PRODUCTS

The House resumed, from Wednesday, November 13, consideration in committee of Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade—Mr. Macdonald (Rosedale)—Mr. Laniel in the chair.

The Chairman: When the committee rose last evening, clause 2 of the bill was under consideration and it was agreed that we would have some kind of general debate on it.

On clause 2—*Definitions.*

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, just before six o'clock last night, in an effort to illustrate the point I was trying to make, I read into the record an amendment I wanted to propose on behalf of the official opposition. To keep the matter coherent, I would suggest I read the four amendments I am going to propose so they will be on the record and available to hon. members for their consideration before we reach the clauses in question. If I have your permission, Mr. Chairman, to read the amendments I should like to put forward in respect of clauses 3, 36, 49 and 52, I will do so now.

The Chairman: Order, please. The hon. member can do that during the course of his remarks. I do not see any difficulty in doing that if he wants to put the amendments on the record. Otherwise, he might distribute them to hon. members so they can take them into consideration. The Chair really has no objection to the procedure the hon. member wishes to follow.

Mr. Hamilton (Qu'Appelle-Moose Mountain): In attempting to keep this subject within some orderly form of debate, I think the responsibility falls on the official opposition to make known to the committee of the whole the general thrust of our intent. In my opening remarks yesterday on clause 2, I indicated my concern about the position of the prerogatives of the Crown. I asked the minister if he would take up this subject with the law officers of the Crown, not on the basis of examining constitutional legislative authority but on the narrow question of the prerogatives of the Crown in right of the federal authority and the prerogatives of the Crown in right of the provinces. He promised to do so. As part of that discussion, I wish to move into the question of how, as members of this House, we can protect the Queen from harm. The amendments we wish to put forward are to clause 3, clause 36, clause 49 and clause 52(1).

We want to enshrine in the legislation the principle of consultation before any policy is determined. If one accepts the principle of consultation and agreement by enshrining it into the legislation, then there can be no question about the Queen in right of the province being harmed. In other words, if the provinces, on the advice of the Queen, accept this agreement after consultation with the federal government, then the interest of the Crown at both levels is the same.

I should like now to read the amendments I intend to put forward at the appropriate time, in order that members, by reading *Hansard,* can follow these proposals and consider them as a unified approach by Her Majesty's Official Opposition in its attempt to protect the Crown on the matter of prerogatives. Having read the proposed amendment to clause 3 last night, I would now read our further amendments into the record and then direct my remarks to the proposed amendment to clause 3.

Mr. Macdonald (Rosedale): Mr. Chairman, I would ask the hon. gentleman whether there is any particular reason, since he is proposing the amendments seriatim, for not putting them forward when we reach the appropriate clauses, rather than during our discussion on clause 2.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I have no objection to that. I was actually trying to facilitate the discussion. The minister and each of the party leaders have these amendments, so I would be quite prepared to propose them seriatim.

Mr. Macdonald (Rosedale): Mr. Chairman, if the hon. member is prepared to put them on the record, I suggest

that we can debate each one as the appropriate clause comes up for discussion, rather than debating each of them under clause 2. Perhaps I misunderstood the suggested procedure.

Mr. Hamilton (Qu'Appelle-Moose Mountain): That is, in fact, what I propose to do. Since I have already read the proposed amendment to clause 3, I should now like to read the proposed amendment to clause 36, as follows:

That clause 36 of the bill on page 15 be amended by deleting lines 10 to 16 and substituting therefor the following:

"Governor in Council may, by regulation, subject to confirmation by order in council issued by the government of the producer-province concerned, establish maximum prices for the various qualities and kinds of crude oil to which this part applies that are produced, extracted or recovered in that province (hereinafter in this division called the 'exporting province')."

The next proposed amendment is to clause 49, as follows:

That clause 49 on page 20 be amended by deleting line 25 and substituting therefore the following:

"prices of alternative fuels in Canada, in co-operation at all times with the province of production which, in the interests and for the protection of consumers in other provinces, has forgone to the degree necessary to this purpose its constitutional autonomy over gas as a natural resource."

The next amendment we propose to move on the question of enshrining the consultation process into the legislation is to clause 52(1), as follows:

That clause 52(1) of the bill on page 21 be amended by deleting lines 28 to 34 and substituting therefore the following:

"Governor in Council may, by regulation, subject to confirmation by order in council issued by the government of the producer-province concerned and having regard to the matters mentioned in subsection 51(2), prescribe prices for the various kinds of gas to which this part applies that are produced, extracted, recovered or manufactured in that province."

● (1530)

I should like to close my remarks at this time on clause 3, which reads:

This act is binding on Her Majesty in right of Canada and in right of any province.

As a layman, I say frankly that I am concerned about how this legislature, at the federal level, can combine the Queen both in right of the federal government and in right of several provinces in the same clause. Surely it is self-evident to a layman that before you can bind Her Majesty in right of the federal government, there should be some indication by the minister that this matter has been brought before the Governor General, who has given the consent of the Queen in respect of the right to discuss the terms of this bill. The minister has not yet indicated that he intends to present the consent of the Crown to this House, which is traditional when dealing with the prerogatives of the Queen.

The second question is even more dubious. How can this legislature, without any evidence before it that the Queen in right of any province has given her consent, give to our executive the powers which some of these clauses do which materially affect, directly or by incidence, the property of the Queen in right of any of the provinces? I think these questions are an indication of our legitimate concern and must be answered by the minister with evidence that he has consulted the law officers of the Crown as to whether it is possible to bind Her Majesty in right of Canada and in right of the provinces, at the same time in the same bill, without any evidence of consent from Her Majesty being given either to this House or to the provinces.

I hope I have made it clear that it is beyond the capacity of most of us in this House to give a clear answer to this type of question. I simply point out to the minister, as I did yesterday, that if we passed this legislation as it is drafted and a province or an individual took it to court and the court ruled the legislation to be ultra vires in respect of some of its clauses regarding the prerogatives of Her Majesty, then this legislature would be the laughing-stock of the country.

Yesterday I used an example which the minister was not sure was relevant. In that case, the federal legislature proceeded on the assumption of certain rights which it had in respect of Indian lands, and 40 years later a court decision ruled that the federal government was wrong, that it did not have the full right to alienate these lands and these lands should revert back according to the law and the prerogatives of the Queen in right of the province.

I suggest that it would be prudent for us to take a good, hard look at clause 3. Last night I read to the committee a proposed amendment to this clause which could make this legislation binding on Her Majesty in right of Canada and in right of any province. I repeat that we have had no evidence in the House that the Queen has given her consent to this legislation in right of any province. To make sure that we do not blunder on this point, I will repeat the amendment we propose to make sure that the federal legislation is sound.

That clause 3 of the bill on page 2 be amended by deleting line 9 and substituting therefor the following:

"province; and, where the legislative authority of the Parliament of Canada does not extend to bind Her Majesty in right of a province, then to the extent that Her Majesty in right of a province consents thereto."

I think what I am trying to do is clear. I would like the reaction of the minister on this point.

Mr. Macdonald (Rosedale): Mr. Chairman, as I indicated to the hon. gentleman yesterday and as he may recall from experience, the tendering of a bill to the House of Commons by a minister of the Crown is undertaken only after taking the advice of the law officers of the Crown—of course, the law officers of the Crown are the Minister of Justice and the Solicitor General—not only with regard to the legal efficacy of the words of the legislation but also their constitutionality. I heard that the hon. gentleman said outside the House there had not been consultation with the Department of Justice. I can assure him that in this case the bill was considered by the representatives of the department from the standpoint of the effectiveness of what is proposed and constitutionality.

The hon. gentleman raised the question of the consent of Her Majesty the Queen. In a measure of this kind, the consent of Her Majesty the Queen is given in this House in not one, but two ways. It is given, first, by the recommendation in this bill. His Excellency the Governor General has recommended to this House of Commons the present measure respecting the administration of inter-provincial, export and import trade in pretroleum and petroleum

products. So Her Majesty the Queen, by her legal representative here, has in effect recommended this bill.

Further, in respect of this, as in respect of other legislation, parliament is a trinity made up of this House of Commons, the Senate and the Queen in parliament. So the act of royal assents which so many members have often regarded as a formality, really is assent by Her Majesty the Queen, through her representative in the other place, indicating that she consents, as one of the three parts of parliament, to the legislative measure being enacted. In this regard, the royal assent in relation to the Queen in right of Canada is given in that way.

Mr. Lambert (Edmonton West): On a point of information, Mr. Chairman, I wonder whether the minister would tell us if the counter-proposition applies, that Her Majesty in right of a province, in other words, being the legislature and the Crown, gives assent to a bill binding the Crown of Canada, and by doing so Her Majesty agrees that the Crown of Canada in right of Canada shall be bound.

Mr. Macdonald (Rosedale): This is the question raised by the hon. gentleman yesterday. Of course, under our constitutional system, as the hon. member may not be aware, we have responsibility for distribution of the overall sovereignty of the country into provincial and federal governments. With regard to the rights extended to the Crown in right of Canada by the British North America Act, of course the royal assent is given to acts which fall within the competency of this parliament, in this particular case by the attendance of Her Majesty's representative in the other place.

The procedure followed in the legislature of a province would, of course, relate and be confined to its power and the constitutional authority given to the provincial government. Of course, the next question to be raised is, what about the interface between the two? The hon. member has asked to what extent the Queen in right of a province can be bound by this kind of a measure. That important constitutional question was decided long ago by the judicial committee of the Privy Council, for the reasons I indicated in response to the hon. member yesterday. It has been decided in relation to that commodity, both in relation to Canadian political history and Canadian constitutional history, which has been of such fundamental importance, namely, liquor.

● (1540)

I refer to the case of *The Attorney General of British Columbia v. The Attorney General of Canada*, reported in 1924 Appeal Cases at page 222. In that case the judicial committee pointed out that indeed the Crown in right of Canada could impose taxation on provincial property, as it could on the property of a private individual. In this particular case—I think this is the point the hon. member was raising—the Crown in right of Canada, when acting within the legislative powers conferred upon it by the B.N.A. act, can indeed bind and affect the property of the provincial government acting as a provincial government in the same way as with the property of a private individual in any province. In that sense we, by royal assent in this parliament—through the assent given on behalf of Her Majesty by her vice regal representative—have the assent required for legislation here; and that assent, extending as it does to the legislative jurisdiction of the parliament of Canada, would bind the Crown in right of the province.

Mr. Schumacher: Mr. Chairman, I understand that we are permitted to speak on clause 2 even though there have been some interjections on clause 3 and other clauses. I should like to make a few remarks in a general way at this stage concerning Bill C-32 which, as I have said before, proposes a quartet of government of Canada proposals governing the petroleum industry in Canada which I feel is part of a general program which will create a shortage of oil and natural gas in this country before too long.

Questions were put to the minister yesterday regarding the supply situation in Canada. The minister could not answer them because he had not cleared the matter with some of the producing provinces or had not received any reaction from them. I believe the report of the National Energy Board will show that we have already reached the peak of our ability to produce and that we will be facing a period of shortage commencing in three or four years. I think this is a very serious matter for Canada. The government is adopting a sort of "fat cat" approach to the problem; it is taking a very short-sighted and short-term approach. The government is trying to appeal to the consumers of the country on a short-term basis by keeping prices in tight restraint, without giving any indication whether there will be any incentives for the producers or finders of petroleum to enable them to make a profit. I am very sorry that the government is attacking the profit motive in this area of our endeavours because, in my opinion, there is nothing wrong with making a decent, honest profit, particularly after many years of investment with very little return.

The second part of the proposals will be in the budget which we will hear next Monday night. The third part will be in the PetroCan legislation which will be coming in the new year. The fact is that the government does not seem to be able to make up its mind regarding the ground rules for the development of petroleum and petroleum products off our shores and in the Arctic area of the country. I refer to the land use regulations. It appears that over-all we have a package of proposals that creates a great deal of uncertainty.

The measure before us deals with price restraint and price control which, if it is allowed to continue, can only lead to a shortage of oil. That brings to mind the fact that this legislation results primarily from the so-called agreement of March 27 in which the first ministers of this country agreed to a limited period of price control for crude oil. This government, however, has seen fit to bring forth a document, Bill C-32, which flies in the face of that agreement by seeking to give the government power to control the price of crude oil and natural gas for an indefinite period, on a permanent basis. This is being done under the guise of powers granted under the B.N.A. Act in the area of regulation of trade and commerce.

However, I suggest that this grasping for power demonstrates the poor bona fides of the government and the actual dishonesty of its approach when it attempts to set the wellhead price of crude oil and natural gas under this legislation. I think the government would have more cred-

ibility if its power was restricted to interprovincial trade in oil and natural gas, but when it reaches inside the producing provinces to control the wellhead price I think it goes well beyond its constitutional powers.

This bill deals with many other aspects than just fixing and controlling the price of natural gas and crude oil. The powers which the federal government seeks would allow its agents or officers to enter the offices of provincial governments to conduct searches and seize documents. I do not believe that this can be considered a power granted to the federal government under the guise of regulating interprovincial trade. That is why I think the ideas expressed by the hon. member for Qu'Appelle-Moose Mountain have merit and should be considered by the minister more seriously than they have to date.

It seems to me that the minister justifies price control under this bill as being a power granted to the government in respect of the regulation of trade and commerce. However, under that umbrella the minister brings in all sorts of other things. Here I differ somewhat from the hon. member for Qu'Appelle-Moose Mountain, in that he wishes to make this a better bill, while I do not think it is a good bill, nor do I think it can be made better so long as the federal government wishes to use it as a tool to discriminate against and penalize the oil producing areas of this country.

As I said before, this bill represents a continuation of the government's "fat cat" approach. It may be very popular and it may make the government appear to be a hero in Vancouver, Toronto and Montreal, but I wonder how popular the government will be four or five years from now when those areas will suffer from a shortage of petroleum products—because that shortage will come just as sure as night follows day, if we do not have a proper price and some certainty injected into the industry. If the price is not right, we will not have the power.

I think the possible consequence of the present figures should filter through the skulls of members across the aisle who are responsible in this area. All figures indicate that drilling and exploration activity has decreased, largely because of the prospect of this legislation and the government's budgetary proposals which will be revealed on Monday. For example, drilling activity is down by 7 per cent in Alberta and 75 per cent or 76 per cent in Saskatchewan. In the United States, drilling activity has increased by more than 20 per cent. These figures show what is happening in this country. Clearly, the aims of this bill should be changed; it should be amended. This law must be so administered as to ensure adequate supplies for Canada. The bill as presently worded will not assure adequate supplies. Its main thrust is keeping prices at a minimum level, and that policy is short-sighted.

● (1550)

As I said earlier, the agreement made by the first ministers on March 27 was to expire at the end of June, 1975. In conformity with that agreement, should not controls envisaged under this bill also expire at the end of June, 1975, because that was the time limit for the original agreement? There should be a new agreement to take care of provincial rights. The government would be more credible if it included in the bill a schedule showing the level to which prices shall rise. I understand that the government supports a policy of staged price increases for the foreseeable future. Oil prices are to approach world commodity price levels. It is government policy to prevent this from happening suddenly. The government wants a cushion which will allow the Canadian economy to adapt gradually to price increases. If that is the government's intention, it is not evident from the language of this bill. Instead, the bill seems designed to keep prices at the lowest possible level.

If the government intends to increase prices, it should say so now in order to clear away uncertainties and show its thinking. As the hon. member for Calgary Centre said, we would all feel more comfortable if we could see the minister's intentions in writing. Let me add, I would feel more comfortable if they were in sworn form, as he has been fast and loose with promises he has made to various people in this field, both in the provinces and in industry, during past months. In my view, the bill should distinguish between old and new oil. I contend that if old and new oil are treated in the same way, any incentive for finding new oil will be lacking. Those who drill wells at great risk and find new oil should be allowed a greater return on their investment. That would encourage exploration for oil. Of course, at present that incentive is lacking.

The people in my area doubt the government's ability to deal with our difficulties. If you consider our history, you will see that until 1930 the oil producing areas of this country were under federal control. Not until 1930 did Alberta and Saskatchewan acquire jurisdiction over and ownership of their oil resources. During the first 63 years of our history there was no great development of oil resources in this country and any development which took place was accompanied with great economic waste. Millions of cubic feet of natural gas were lost in Alberta because of faulty or negligently drawn federal conservation measures. Once the provinces gained control of their resource it did not take them long to introduce sensible and useful conservation measures which, according to many, are the best in the world. These measures were not drawn up by some Big Daddy in Ottawa. The federal government is now trying to take back what it gave 44 years ago. I find that discouraging.

Logically, the government's policies will force the provinces to nationalize their petroleum industries. I notice that Eric Kierans, in his speech to the Canadian Tax Foundation in Toronto the other day suggested this. I do not often agree with that gentleman, but I must agree with what he said. It seems to me that the only alternative left to the rightful owners of this resource is nationalization of the industry. The federal government then will not be in a position to levy taxes on the industry, as it is now.

What I am suggesting is not without precedent. In the last 15 years, practically all private electrical generating plants have come under provincial ownership. The only exception is the electrical industry in Alberta, and this exception was made possible because the federal government, in 1965 or 1966, changed its tax policies and allowed a portion of corporate taxes which would be paid by such private electrical generating companies to be returned to the consumers. Without that concession such companies

could not be economically viable; they could not compete with provincial companies which do not have to pay income tax. So one can see the influence of federal government budgetary and fiscal policies upon certain private industries in the provinces.

I suppose the present measure is an outgrowth of the Prime Minister's outlook. He has written somewhere, I think, that provincial governments are useful for establishing the beachheads of socialism in this country. He now leads the federal government, and I suppose he wants to make sure this bill will be instrumental in the establishment of beachheads at the provincial level. That would appear to be the practical result of this major federal government policy.

● (1600)

During the clause by clause study the constitutionality of this bill should be put to the test. The minister should explain why the consent of the provincial Crown representatives is not necessary. I heard his explanation a few minutes ago; it certainly does not satisfy me. It may become apparent that this bill is not as constitutionally valid as the minister thinks. During the clause by clause study we should pay particular attention to writing into this bill the provision that it must be concerned with creating and maintaining a supply of petroleum products for the whole country. We must get away from the restrictive approach that is now in the bill, as it can only result in a man-made shortage of oil and natural gas in our country by the end of this decade.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, I wish to ask the minister two questions. If Your Honour agrees, I will ask them separately. Yesterday the minister made reference to the fact that reductions in the export of oil to the United States would, of necessity, reduce the amount of revenue which would accrue to the export tax fund, but that this might not be offset by a reduction in imports because it would not be possible to ship oil to the area east of the Ottawa Valley until the pipeline was completed. In consequence, there would be a period of time when the surplus oil in western Canada would have to be stored or left in the ground. We could be importing almost as much as we would be exporting. Consequently, the compensation payments would be very heavy in view of the fact that revenue from the export tax would be reduced.

We will be able to discuss this bill much better if the minister will give us some information about the proposed pipeline to eastern Canada. It is almost a year since the Prime Minister announced that the government intended to have the pipeline built so that western Canadian crude could find its way into the Montreal market. I notice from a press report in this morning's newspaper that discussions have apparently been completed between the Minister of Energy, Mines and Resources and Interprovincial Pipe Line. It is suggested that a number of options are being examined. Apparently Interprovincial Pipe Line wants a guarantee that there will be sufficient throughput in the line to meet their operating costs and to retire their capital investment.

A number of suggestions have been made. First, the government should guarantee a specific amount of revenue to Interprovincial Pipe Line. Second, there should be a change in the tariff structure for the whole of the existing pipeline from Edmonton to Toronto and Sarnia. Third, the federal government might build the pipeline from Sarnia to Montreal and operate it, or a northern pipeline through northern Ontario and northern Quebec. Fourth, federal government might build a pipeline and lease it back to Interprovincial Pipe Line. Interprovincial, in turn, would buy the pipeline out of payments for the oil throughput. In that way the pipeline would eventually become the property of Interprovincial Pipe Line.

In view of the urgency of this matter, I would ask the minister whether the cabinet has made any decision as to which of these or any other propositions have been agreed upon. If a decision has not been reached, can the minister give us some idea as to how soon a decision will be reached? Can the minister give the committee any timeframe with regard to the earliest possible date for commencement of construction, and an approximate date when the pipeline is expected to be completed? This information will certainly have an effect on the compensation payments and the export charge fund. If the minister could give us some idea, it would be helpful. It would also be helpful to those who live east of the Ottawa Valley. If there is any embargo this winter, there will certainly be a good deal of fear and apprehension on the part of people who live in eastern Canada regarding assured supplies of oil. Therefore, any statement the minister can make on this point will be helpful. I would like to ask the minister that question now and then, if I may, Mr. Chairman, ask my second question later.

Mr. Macdonald (Rosedale): Mr. Chairman, with regard to the pipeline and the hon. member's request that I review the record and give a current statement, he will recall the government indicated its wish that the pipeline be extended to Montreal in September of last year. Following that indication and discussions with Interprovincial Pipe Line, the company engaged in a study of the route, a survey of the route and an analysis of the requirements. In due course it presented an application to the National Energy Board as it is required to do by law. That application, which was made this spring, had to be adjourned because of the intervention of the government of Quebec which objected to the route the company proposed to follow for the pipeline as it approached within 50 miles of the island of Montreal, particularly with relation to environmental risks created in this regard.

I think I would be correct in saying that the view of the board was that the environmental concerns were appropriately expressed. The company thereupon went back to work and planned a new route which would meet the objections of the Quebec government. It came forward to the board again in the autumn with a new plan for a changed route to meet the environmental requirements. The hope had been that the original planning provided adequate time for the planning stage and approval. However, the intervention of the government of Quebec set that timetable back to this fall. In the meantime, opinions—expressed primarily by the industry—caused the company to be concerned about the possibility, not so much in the seventies but in the early eighties when the pipeline would be in operation, that depletion of the reser-

voir in western Canada might have reached a point where there would not be adequate throughput. The servicing of both the existing Canadian demand west of the Ottawa Valley line and the additional demand would be taken care of by the pipeline east of the Ottawa Valley line.

● (1610)

The company at that stage sought assurance that, having undertaken the financing and construction of the line, it would not find itself in financial difficulties if it had to bear the fixed operating costs of a project which, for the time being at least, might not be producing revenue. The government has been discussing this question with the company. I saw the report to which the hon. member referred and I can say that the statement that discussions have been completed is not true. In fact, there have been exchanges very recently concerning a possible solution to the difficulty about which the company has expressed concern. It is, of course, desirable to complete this line as soon as possible, but as well as security of supply we must take into account the element of the exposure of the consolidated revenue fund, in addition to the time necessary to investigate the environmental aspect involved.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I agree with the minister that the matters raised with respect to possible environmental difficulties should be investigated and proper action taken. However, I cannot understand why, when the government and the company were discussing the construction of the line, and when the survey of the route was being made, these financial aspects were not considered at the same time. It was the company which asked for an adjournment *sine die* because there was no assurance as to its financial obligations in certain circumstances. It seems to me this question should have been attended to at some point during the last 12 months and a conclusion reached.

In my opinion, Interprovincial Pipe Line has never been keen about this line. It was very much opposed to constructing it back in 1961 and I doubt whether it is any more enthusiastic about it today. I would have thought that by this time the government would either have told the company that it was prepared to offer some assurance regarding throughput, or was prepared to build the line itself. The fact that the minister cannot give us any timeframe within which construction will begin or be completed is bound to cause a great deal of dismay in the eastern part of Canada.

There is a second question I should like to ask. It has to do with a report that the Norwegian minister of foreign affairs has informed the International Energy Group in Brussels that Norway does not intend to sign the international energy agreement which is now before a committee of this House for discussion. Can the minister tell us whether or not this amounts to a complete rejection, or whether Norway is seeking some kind of associate status in the 12-nation group, as newspaper reports have indicated? Is it true that Norway does not favour the agreement because she expects soon to become an exporter of oil herself and does not, therefore, consider it appropriate for her to be a member of a group which, except for Canada, is made up entirely of oil importing countries? If that is the reason, then it should surely make us pause and think about whether Canada should become a party to that agreement.

I do not wish to discuss the agreement now; there will be plenty of opportunity to do so when the committee reports back to the House. My own feeling is that the agreement is not a good one for Canada. All hon. members may not be of this opinion. However, the arguments I have been advancing in committee are strengthened by the fact that Norway does not feel she should be required to restrict her own consumption while at the same time continuing to export to other countries. I think time will show that the concern of those of us who have questioned the value of this agreement is fully justified. I do not think the Canadian people will ever be content with a situation in which they are asked to ration gasoline in this country while we continue to maintain normal exports of oil to the United States. This could happen under the agreement to which I have referred.

The minister has undertaken that the government will not sign this agreement until the report of the Standing Committee on National Resources and Public Works is dealt with in the House. That report may not come back to us for some time, so it would be useful if we could obtain this information. The minister may want to tell the committee what position the government is taking in light of the Norwegian government's stand and in light of the fact that the International Energy Group is pressing very hard for an immediate decision by Canada.

Mr. Macdonald (Rosedale): I thank the hon. gentleman for raising the question. First, with regard to the Norwegian decision I can confirm that the Norwegians have decided not to adhere to the agreement. One could perhaps speculate that this decision is not unconnected with the trauma they feel generally concerning their economic relations with other western European countries. I am referring to the discussions held with regard to their membership in the EEC. Specifically, though, their decision might have been taken because they anticipate that in the near future they will become net exporters of oil. Norway's position as a net exporter would, of course, be substantially different from that of Canada. Canada is a net exporter at the moment but we depend, of course, on imports from overseas to supply the eastern market, and this position is not likely to change for at least a decade.

So although Norway will be able to take care of its own needs from its offshore production, according to present expectation, there is no real prospect of this in Canada until 1988. In this sense our position is quite different from that of Norway. It is therefore important that we take steps to secure for the eastern half of Canada supplies which must enter this country from overseas, and for this reason we think we should become party to the agreement respecting the international quota program.

It has been suggested from time to time that there is a quality of belligerence in confrontation about membership in the IEG. I would just mention that while the Norwegians are not in, some of the traditional non-belligerents like Switzerland, Sweden and Austria have decided to come in, even though they were not originally participants in the ECG discussions.

● (1620)

The second comment I would make in answering the question as to where we stand is this: Because this matter is before parliament at the present time, because we have sought the response of the provincial governments, and because we have not yet received either the committee's reaction or the response of the provincial governments to the proposals, we are naturally reluctant to go ahead. Indeed, it would be improper to go ahead and commit ourselves to a definite adherence to the agreement. On the other hand, if the rhythm of participating in these discussions is dictated by states which, perhaps, do not have the constitutional complexity of Canada is that provisional adherence will be required in the very near future so that the discussions can continue, I have indicated to my colleagues, and they have agreed, that we should provisionally participate in the agreement, subject specifically to the proviso that Canada's participation is contingent upon constitutional requirements, and particularly upon parliament's reaction to the proposal.

One other comment I think I should make regarding the question of exports is this. I have been advised in this respect that the accurate description of the program is somewhat different from that given by one of my officials in committee. The opinion was advanced by an official before the committee that in the event of an emergency Canada would be proscribed from decreasing its exports to the United States. In a practical sense that would probably be the effect. However, I am now advised that Canada could indeed decide to reduce exports to the United States further, even in the event of an emergency, to meet its own needs; but the amount of such reduction in exports to the United States during the emergency would thereupon be deducted from the amount of oil we are entitled to receive from overseas. Thus, in those circumstances, since the matter would balance out, it is very likely that we would decide to keep the flow of oil continuing, in the expectation that oil would be delivered on the east coast. I think that is the only important change that I would make to the general presentation made in committee.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, may I ask the minister a question before he sits down? The minister talks about entering into a provisional agreement. I take it this would not be binding on Canada. Could not the government at any time up until May 1 next, if it so chose, indicate that it is not its intention to become party to the agreement?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker, that is exactly it. It would not amount to definitive acceptance of the agreement which, as the hon. member mentions, is required to be entered into by May 1, 1975. Therefore, if the government decided that it should not ratify the agreement, it could do so without any adverse international legal consequences.

Mr. Horner: Mr. Chairman, I should just like to say a few words on the general terms of the bill and, in the time allotted to me, pose a few questions to the minister. I might say at the outset, though, that I find it very strange that we are debating this bill, studying it clause by clause, when so many uncertainties need to be cleared up. In reply to a question from a member in the House, the minister said: "We are going to make a decision. We have until 1975 to decide whether or not we are going to enter into this agreement with 12 other countries regarding some kind of common front for the exportation of oil". To my mind, that is a very easy question to clear up. The minister should have reached that decision before presenting this bill to the House.

This bill is supposed to answer some of the uncertainties existing in the energy field in Canada, particularly uncertainties relating to oil and gas supply. For the last two years, countries of the world have been stepping up exploration of oil and gas but we have seen the direct opposite take place in Canada. Something like 50 per cent of Canada's potential drilling capacity has been withdrawn. Thirty-two rigs out of 320 can be equated with a rate of 10 per cent, but actually 50 per cent of our potential drilling capacity has been lost. A lot of smaller rigs have remained. Nevertheless, this situation is a shame. My first question is this: Will this bill right that shame? Will it bring about more certainty by bringing back into the oil and gas industry some degree of confidence and encouragement regarding further exploration?

I was not in the chamber yesterday afternoon when the minister made his speech; I was working in the agricultural committee studying a bill having to do with government intervention in the field of marketing grain, but I did read this afternoon the remarks the minister made and found no answer to that question. I think the minister owes it to the House, before we pass this bill, to give us an answer to the question: Will the bill in any way encourage further exploration for oil and gas in Canada? If so, what particular features of the bill will do this? In this regard I should like to quote from a telegram sent by the president of Imperial Oil. He says:

> In its language and intent, the bill must reflect its transitional purpose. A specific expiry date—

In other words, the oil companies want to know when this bill will cease to have effect. In their minds, the provisions of this bill should only be temporary, as was Bill C-18. But the minister puts no expiry date in the bill. I continue:

> A specific expiry date, which would ensure reconsideration of all sections of the bill, is essential.
>
> Without these, Bill C-32 can only be read as a major obstacle facing the job of providing oil and gas for future Canadian needs.

That language is pretty clear, Mr. Chairman. This is one of the major oil exploration companies operating in Canada. In fact, this is the company that discovered Leduc No. 1, a company that is exploring for oil entirely on its own in the Mackenzie delta, a company that has done a great deal of what might be called wildcat drilling, which is really what we should ask oil companies to do, whether Imperial Oil or Canadian-owned companies like Home. This would enable us to discover oil and gas potential anywhere in Canada. Here we have one of the major wildcatters, a company that has had great experience, and I might say success, saying that this bill will be a major obstacle to providing Canada with its future oil and gas requirements.

I do not know how secure our reserves are, because the National Energy Board has not reported on them. We are being asked to deal with this bill with suspicion, with

hunches, with intuition—not with knowledge. The bill should not be before parliament until the National Energy Board report on reserves has been printed in both French and English, and until we have had a report from the producing areas of Canada, the provinces of Alberta and Saskatchewan. We want to know whether they agree with the National Energy Board's finding regarding the extent of Canada's reserves.

I listened this afternoon to the House leader dealing at great length after the question period with bills that had priority and bills that did not have priority, and with how far the government wanted to proceed with other pieces of legislation, including the budget, before Chirstmas. Why the urgency in proceeding with this bill? Why ask members of this House to deal with the subject when the National Energy Board has already tabulated the facts? Members of parliament should be allowed to take an ordinary, common sense approach: they should be allowed to read the Energy Board's report on our reserves. Why should we be asked to deal with this bill in a hasty way, from suspicion and intuition rather than on the basis of facts which the National Energy Board has already compiled? That is the second question the minister should answer. I have seen no evidence of an answer in his remarks. In fact, at page 1297 of *Hansard* for yesterday the minister is reported as having said:

● (1630)

With regard to the agreement with the affected provinces on gas prices, I think I would have to say that the returns are not yet all in as to whether or not it would be possible to achieve some kind of agreement.

So, again, in his own words he has said the returns are not all in as to whether the provinces will agree to some kind of condition in respect of the pricing of natural gas. Why are we being asked to give authority in respect of price, supply and movement of oil and gas under this piece of legislation to the commission which the minister wants to set up, before we know whether the provinces have come to an agreement on gas pricing? That it the third question the minister should answer as to how this bill will enable the federal government and the provinces to reach such an agreement.

We then come to the question of supply. When I began my remarks I said that in all the world, Canada is the only country which has been so foolish in the last two years to in fact turn off exploration for oil and gas. How will this bill increase our supply? I read in the newspapers that the minister said we were going to establish PetroCan, and PetroCan does not want to displace any exploration companies but wants to give them greater participation.

Mr. Stanfield: "Wildcat" Macdonald.

Mr. Horner: He has been referred to as an animal in Alberta, but not a wildcat. I think it was something like a mule, because of his stubbornness.

Mr. Macdonald (Rosedale): That is one of the more complimentary remarks.

Mr. Horner: One can be called a name for a day or two days, but after being called a name for a year and a half one should look in the mirror and reassess his image.

[Mr. Horner.]

Mr. Macdonald (Rosedale): Or reassess the name callers.

Mr. Horner: Reassess the name callers if you want. If one has disregard for a certain area, a certain region or a certain province, one can reassess the name callers and forget about it. If one is in an exalted position, I suppose that is fine; but when one is trying to get a piece of legislation through parliament he should treat representatives from the areas involved with a degree of respect or his bill might bog down.

Mr. Macdonald (Rosedale): Who has been disrespectful?

Mr. Horner: I would take the minister's remarks in respect of the province of Alberta as being slightly disrespectful, and as an individual who is here from a part of Alberta to represent Alberta, I react to that disrespect as I should if I am to serve that area well. The prairie provinces have fought long and hard for constitutional acceptance of the fact that resources belong to the provinces. That decision was made some time ago, as far back as 1930. A royal commission was set up to study the matter, and the provinces of Alberta and Saskatchewan were awarded $5 million for the expenditure of their resources which had taken place prior to that date. That constitutional question has been settled.

Does the minister now feel that he can move in with this bill and arbitrarily set gas prices, deciding that TransCanada PipeLines shall be the common carrier, maintaining a monopoly, with the price of gas set at whatever he wants? Does he really feel he can do that without destroying the constitutional arrangement decided on in 1930 in favour of the prairie provinces? I do not think he can really do so without first reaching some kind of agreement with the provinces. The minister clearly states at page 1297 of *Hansard* that he has not yet reached agreement with the provinces. Parliament would be making a colossal error in passing this bill without first allowing the provinces to reach agreement with this government, because constitutionally the matter of resources remains solely with the provinces.

Just recently Quebec announced its complete support for the Alberta position, and Newfoundland has always maintained the position that Alberta was right in this constitutional fight in respect of control of natural resources. One cannot dispute the fact that the minister, by clauses 3, 36, 38, 39 and 42 of this bill, does go against the constitutional position of the provinces. I have read what the minister said and he obviously refuses to face that question squarely. Apparently he believes this government is all-powerful and can move into the control of resources. The minister said in his remarks that by the establishment of the National Energy Board in 1959 the government in fact set the precedent which allowed him to move in. However, I suggest that no such power followed the establishment of the National Energy Board. The job of the National Energy Board is to assess and recommend to parliament certain action in respect of energy.

Mr. Macdonald (Rosedale): To the government.

Mr. Horner: Yes, to the government. But that does not mean the board is responsible for what is contemplated under this legislation. The government is responsible for this legislation, and the National Energy Board's recommendations can be accepted or rejected by the government. We in this House have not seen the most recent report of that board, although the minister has informed the House it has been tabulated, compiled and is now in the process of being translated from English into French. I suggest that is all the more reason this legislation should not proceed, so that members of the House have an opportunity to study it. I have a hunch, an intuition or a suspicion that the National Energy Board's report will clearly substantiate the case Alberta has been attempting to make, namely, that we require further exploration because our known reserves of gas and oil are not as great as one might expect.

We must ask ourselves how this bill will encourage further exploration. One need only read the telegram from Mr. Armstrong, president of Imperial Oil, to realize that this bill is harmful. The minister can say that as a result of this bill he will be able to price oil cheaply in all regions of Canada. I suppose that is true as long as there is oil available, but there is no more heavy oil coming from Saskatchewan and northeastern Alberta. The industry has stopped producing heavy oil in those areas because refining costs are so high that it is not economical. Production is being turned off and further exploration for heavy oil is being turned off because of the minister's arbitrary pricing policy.

● (1640)

One can question the whole area of distribution. The minister is involved in discussions with Interprovincial Pipe Line on the question of assistance in building the pipeline to Montreal. The minister should inform the House of the reason the government is not prepared to put itself in the position of guarantor with regard to the building of that pipeline. The oil companies, no matter who they may be, which own Interprovincial Pipe Line say they will build the pipeline provided they are given a guarantee that the distribution of oil will rest solely in the hands of the government, particularly after the bill is passed. They said they could build the pipeline, but then suddenly the government, with the stroke of a pen, could cut off the distribution of western oil to the Montreal market. So they say they want some kind of guarantee that a certain volume will continue to move through that pipeline.

The minister is presenting to Parliament a bill which gives this commission exclusive power to control the distribution of oil. Why does he not give Interprovincial Pipe Line the guarantee it is asking for, because this bill could make that pipeline economically sound or it could make it the worst venture any oil company has entered into—and they have entered into many poor ones, which is evident when one studies their past in respect of drilling and exploration. I believe there should be no hesitation on the part of the minister in this regard. He will be all-powerful if this bill is passed. What is the problem? What is in the back of his mind which will not allow him to guarantee the company a financial return equal to the financial return of the oil companies? If the pipeline is to be built as a government project, I would like to think there would be some guarantee that it would be an economically sound project and not some pipe dream of the minister.

From reading the minister's remarks and listening to his answers to questions, it would seem that he has avoided more questions than he has answered. Even in respect of the questions I heard him answer this afternoon he failed to really pin down the problems or offer any concrete solutions. I understand that with regard to this bill he is suggesting in the order of 15 pages of amendments. These he has sent to members on this side of the House with the suggestion that at the appropriate time he will be presenting them. Surely we need a better explanation than has been given in this regard.

Since the bill contains 39 pages, 15 pages of amendments represents nearly one amendment for every two pages of the bill. Surely the minister should reassess his desire for haste in passing this bill. The passage of the bill this afternoon or next week will not in any way change the market situation. The price of oil is set at $6.50 per barrel. The oil companies are accepting that price and have accepted it for six months now, voluntarily. They accepted the price of $4 a barrel in the early part of January and February, voluntarily, after what might be referred to as moral suasion on the part of the government. Really, there is no haste in respect of the passage of this bill. I would advise parliament not to be in any hurry to pass it until we have received some answers. We have seen government action, with regard to the energy question, based upon a short-term solution. One could almost say that in the past year and a half the whole concern of the government has been to satisfy the consumer on a very short-term basis.

Mr. Stanfield: On a political basis.

Mr. Horner: Someone mentioned politics. Certainly politics were played. I believe Canada suffered a great deal in the long term. This is the only country in the world which has been so foolish as to turn off exploration in the past two years. I think that when the National Energy Board's report is released it will be proven that we have been rather foolish because technical help and technical skills have left Canada and gone either to the North Sea area, the United States, Indonesia or somewhere else in search of oil and gas. It will take at least three or four years to entice back to Canada the technical skills required to gear Canada for further exploration.

It will not matter whether the minister establishes PetroCan. He will then have to rely on the private sector to obtain the technical skills required in Canada. He will not have very much success. There is much evidence to back up my statement in this regard. In the newspapers one can find a long list of ads for engineers, geologists and other people required by the oil and gas industry in Canada and throughout the world. In the past year we have seen short-term action by the government. Now we must take a long-term look at the producing capacity of this country. For instance, we must decide whether we are to encourage further exploration off the east coast.

There have been some interesting finds of natural gas north of Newfoundland, south of Newfoundland and around Prince Edward Island. More equipment will be required. In fact the Hudson Bay Oil and Gas Company

required seven months to prove out its one find off the coast of Prince Edward Island. That gives the House an idea of the problem we are dealing with. The minister has not said that in the next four to ten years we will get on with the job of proving our reserves or proving our capability to obtain oil from the tar sands. He has not said that, and this bill does not say it. This bill in many respects has a tendency to turn off many companies, whether they be multinational, Canadian or otherwise, in respect of further exploration in Canada.

In ending my brief remarks I should like to re-emphasize few questions which I put to the minister. Why does he believe that further exploration would be encouraged under this legislation? Can he give the House and the country any idea of the formula that will be used to reach a price that will be satisfactory from the viewpoint of encouraging further exploration? You can take an arbitrary price of $6.50 until next July. Of course, some people will say that it is too low, and others that it is too high. Each person will reach his own decision. But it will only last until July 1, 1975. However, this bill will go on and on: there is no limit to it; the government will retain control over energy indefinitely. What formula will the minister use in setting the price of oil and natural gas?

● (1650)

The Deputy Chairman: Order, please. I am sorry to interrupt the hon. member, but the time allotted to him has expired. Does he seek agreement to continue?

Mr. Horner: If the minister would answer my questions, I might say a word or two about his reply; but he will probably have satisfactory answers since he is so knowledgeable.

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): Mr. Chairman, the hon. gentleman has raised a number of interesting questions about this bill and about the oil scene generally. Perhaps first I should bring this fact to his attention, and indeed to that of other hon. members on that side of the House who have commented that Bill C-18 was a temporary measure, that it contained an expiry date: if they will look at it, they will see that it had no such expiry limit. The bill anticipated a dramatic change in the pricing of international oil which has had so much impact on Canada that we can anticipate for the future, and I suspect for a long time in the future, that the governments of oil producing states will be commanding the price of this commodity, and therefore there will be a continuing necessity on the part of the government of Canada to protect Canadians against the kind of oil prices that may be imposed on them from time to time with measures such as the ones put forward in the bill and such others as may be appropriate.

The hon. member referred to the stand taken, both in telegrams and in public statements, by Imperial Oil Limited, comparable to the stand taken by Gulf, one of the major international companies, to the effect that there should be a time limit. One cannot blame Imperial Oil and Gulf. Of course they would like to go to international prices as soon as possible. They will make a bonanza on their Canadian oil if they can go to international prices. It is fair enough for them to make the effort, but it is incumbent upon the government and this parliament to have some regard for the interests of Canadians generally when we have the ability to protect ourselves against such a dramatic increase as $5 a barrel and when we can take action through this kind of legislation.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): You don't have to do all this. It is not for gas, nor for the tar sands.

Mr. Macdonald (Rosedale): Certainly, the position of this government—and I thought it was the position of the official opposition, but it may not be—is that we should have such an arrangement. Indeed, the provincial premiers agreed on the fact that there should be an agreement—

Mr. Lambert (Edmonton West): With a club over their heads.

Mr. Macdonald (Rosedale): —with regard to oil pricing in Canada and that, to put it in the vernacular, the producing areas of Canada should not "sock it" to the consuming areas: indeed, that they should render assistance. That was the principle established on March 27 and it is one to which we adhere in the bill. As I said, of course Imperial Oil would like to be able to dictate prices; They would like to have international prices. If we have the ability in Canada, as we do, to protect Canadians generally, we should do it.

The hon. gentlemen made some comments about the report of the National Energy Board and he objected to the fact that the report had not yet been made public. The position is that, just as with the export gas pricing report, it is the advisory opinion of the board, reached after public hearings and made known to the minister under the provisions of the National Energy Board Act. It is in relation to a formula that the board will apply in deciding from time to time on the appropriate level of exports from Canada. The kind of question which the government should state in the form of a request to the National Energy Board should be: What should the appropriate export levels be over a period of years?

It is also the government's judgment that since this will actively affect production in the provinces if, for example, it is decided that the level of exports should be lower than at present, there will be some shut-in capacity which will have an impact on the revenues of both the producing companies and the producing provinces. It is for that reason we have put that report into the hands of the two major producing provinces in terms of oil export and we have sought their response to it so that their views as to the kind of scheme proposed in the report can be taken into account in the government's decision.

Mr. Lambert (Edmonton West): The conservation responsibility is theirs.

Mr. Macdonald (Rosedale): It is indeed theirs, but the export responsibility is clearly ours. But before exercising our responsibility we will consider at their comments, which at the moment have not been received. The hon. member referred, also, to the question of gas pricing. As I said, we have had no final response from either Ontario, the major consuming province, or Alberta, the major pro-

ducing province, to proposals with regard to the appropriate pricing of natural gas, proposals which we put to them over a month ago.

Mr. Andre (Calgary Centre): How many days elapsed before the bill was given first reading?

Mr. Macdonald (Rosedale): It was some days before the bill was given first reading. I do not have the actual record here. The proposal has been made to them, but we have had no response as to what they would consider to be the appropriate price level for gas. The hon. member says we should not act until the province responds. Again, as with Imperial Oil, the province has special interests which it has been effectively pressing here. It would like to get the gas price as high as it can, and for that purpose it has created the entity of PanAlberta. It was created for the purpose of acquiring and selling gas at higher prices to utilities in Ontario, on the threat of withholding gas from Ontario users.

In the same way, it is in the province's interest, of course, under the Alberta arbitration act, that no decision should be made on this matter so that the arbitration procedure can take over and gas can move to commodity value. The government does not happen to agree with that stand. As in the case of oil, we take the position that, while we think natural gas should be phased over a period of time to commodity value, it is in the national interest to try to minimize the impact on consumers. May I remind the House that minimizing the impact on consumers is keeping the price down to the cost of living index.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Hon. gentlemen on the other side make regular complaints about the high consumer price index and then insist that oil and gas prices should be world prices, that gas prices should be related to oil prices and that we should "sock it" to the Canadian consumers.

Some hon. Members: No.

Mr. Macdonald (Rosedale): With regard to the Montreal pipeline, I made a general statement in that regard.

The Deputy Chairman: Order, please. I regret to interrupt the minister but, it being five o'clock, it is my duty to leave the chair in order that the House may proceed to the consideration of private members' business in accordance with section 4 of Standing Order 15.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Penner): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Consumer affairs—Increase in price of personal health care products—Suggested investigation; the hon. member for Sault Ste. Marie (Mr. Symes)—Consumer affairs—Price of anti-freeze—Reason for increased markup and possibility of profiteering; the hon. member for Vaudreuil (Mr. Herbert)—Health—Pharmacists' strike in Quebec—Government position.

● (1700)

Mr. McKinley: On a point of order, Mr. Speaker, we understand that there is agreement that item No. 14 under public bills be considered during private members' hour.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Lefebvre: Mr. Speaker, I think it has been agreed that we should consider item No. 14, Bill C-214, during private members' hour.

The Acting Speaker (Mr. Penner): Is that agreed?

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

AMENDMENT RESPECTING REASONS FOR COMMISSIONS' REPORTS

Hon. Marcel Lambert (Edmonton West) moved that Bill C-214, to amend the Electoral Boundaries Readjustment Act, be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, this bill is a hardy veteran, this being the fourth or fifth time I have presented it. The idea first was brought forward as a notice of motion.

The bill is short. It calls on Electoral Boundaries Commissions to give reasons for recommendations concerning changes in electoral boundaries. Recommendations for changes in constituency boundaries have not contained the reasons why commissioners made such changes.

If hon. members will cast their minds back, they will no doubt remember the last two occasions on which the provisions of the Electoral Boundaries Readjustment Act were to be invoked. Frankly, I can only say of that act that it is a minor, mitigated disaster. In many instances redistribution proposals were not satisfactory, and created a great deal of dissatisfaction. Actually the last attempt at redistribution created so much dissatisfaction on the part of members of the House that it was agreed to suspend the effects of redistribution until December 31, 1974. The recommendations of the past cannot be reinstituted. The commissions have changed, circumstances have changed, and it would be necessary to start all over again.

I want to see reasons attached to commission recommendations. At present members may comment upon recommendations but cannot amend those recommendations. Members may comment on those recommendations in this House, and then the commissioners may read what has been said and possibly amend their recommendations. However, experience shows that we wasted our time. The odd name has been changed, but that is about all, even though the general distribution scheme involved the wildest abortion, or totally unjust concepts, or an entirely false premise about the propriety of the suggested area of representation. I am speaking of the representation of people by representatives. The reports are almost always returned in their original form; sometimes they are mildly changed.

All members, I think, have had the opportunity of seeing preliminary reports and appearing at public hearings. I will not repeat what went on in Alberta in the last redistribution but there was universal condemnation of the proposals of the commissioners. I cannot see how these so-called independent commissions are protecting anything. They are doing a worse job than members themselves did in the past.

Be that as it may, I think the commissions can do a better job. But they could do a far better job if they would spell out the reasons for recommending particular changes. Let us know the principles which they apply within each province. I maintain that far too few commissions pay attention to demographic circumstance. Some of them tend to think in terms of numbers of votes, which has resulted in intolerable injustices.

In the last proposal in Alberta we saw rural constituencies with populations far larger than in urban constituencies. The results were fantastic and violated the principle of good representation. In other words, the public must have ready access to the member who represents them and he, in his turn, must have ready access to his constituents.

I am not talking about the difficulty of conducting elections. I wish that commissioners would occasionally become involved in election campaigns because then they would see how wrong are academic writers who blindly support the principles of the act, and how wrong headed are some newspaper editors who piously agree with some of the garbage written about the workings of the act. Only by fighting an election would they realize how stupid is our redistribution system.

As well, I think commissioners should be punished for some of their decisions by being made to service the constituencies they have drawn. In many cases that would be virtually impossible.

Mr. Lefebvre: That is quite true.

Mr. Lambert (Edmonton West): I am trying to improve the workings of the act. I am not saying that members of parliament should again determine constituency boundaries, although I think they could do a far better job than many so-called independent commissions.

An hon. Member: But parliament passed the act.

Mr. Lambert (Edmonton West): All right; parliament passed that act, and there it is. But I want to see it improved. I want specific reasons to accompany recommendations. Members of parliament could then direct their attention to specific comments. At present nothing specific accompanies recommendations. There is merely a map with lines on it, but no indication why any boundary was changed. Therefore I have brought forward this simple amending bill and ask the House to support it.

The motion before the House calls for this bill to be read the second time and referred to the Standing Committee on Privileges and Elections. I believe it should be sent to that committee, where the bill can be discussed at greater length than in the House. I believe the House is disposed to send the bill to that committee. Actually, it was suggested to me through the usual channels that, in order to allow as many members as possible to participate in the present debate, speeches in the House should be limited to 10 minutes. Either at six o'clock, or after the last member has spoken, I think there will be a disposition to send the bill to the Standing Committee on Privileges and Elections. I recommend it to the House.

Mr. J.-J. Blais (Nipissing): Mr. Speaker, I rise with pleasure to talk on this bill as, for the first time, I am in complete agreement with a member of the opposition. The hon. member for Edmonton West (Mr. Lambert) argues persuasively.

The bill, which the hon. member indicated has been before the House on three previous occasions, is timely as the government has announced its intention to present new legislation which will affect electoral boundaries readjustment and redistribution. The bill which the government will be presenting will, of course, affect only the British North America Act. It will not deal specifically with the Electoral Boundaries Readjustment Act.

• (1710)

This bill is timely because the amendment which the hon. member for Edmonton West is presenting draws attention to the latter act. I would like to see this bill go to committee because I have a direct interest in the question of amending that act. Indeed, I intend to present a private member's bill which will seek to amend Section 13 of that act which, by reference, is the one in which the hon. member for Edmonton West is interested.

When the hon. member speaks of getting the commissioners to affix reasons to the readjustment they propose, he is in effect referring to Section 13 where the reasons are set down and the criteria are determined. These are the criteria that interest me as a member from Northern Ontario.

Section 13 sets down the subdivision or quotient for any given province, based upon the total population within that province and the number of seats allocated to it according to the provisions of the British North America Act. The amalgam method, which will be the subject matter of the proposed government bill, sets down the formula by which the numbers of seats in various provinces are to be amended. However, that bill does not deal with the division of these particular seats within any given province. As I understand it, there is no proposed amendment in the government legislation which will deal

with this provision of seats within a province. That is why I will be presenting a private member's bill.

Section 13 permits the commissioners under certain circumstances to augment the number of seats within a constituency, or reduce it, by 25 per cent from the provincial quotient. I will be presenting an amendment whereby the number of electors within a particular proposed boundary could be as much as 35 per cent less than the normal quotient within that province.

The reasons I will be presenting a bill is because I feel the present situation in the province of Ontario is very unfair to a certain portion of this province, that is, the northern one half or two thirds of the province of Ontario.

Under the redistribution which was presented to this House in June of last year there was a proposal to increase the number of seats in Ontario by three. However, there was a contemporaneous reduction in the number of northern Ontario seats by two, reducing the number of seats in northern Ontario from 12 to 10. Paradoxically, the whole of Ontario was to gain three seats, the net result being that the southern portion of the province would gain five additional seats over what it had prior to 1972. I objected to that position for very valid reasons.

I made a speech on this particular topic on July 5, and continued it on July 6, 1973. During that speech I stated the reasons why I felt consideration ought to be given by the commissioners to my proposal. I stated they should be permitted to increase or decrease the number of electors in one area up to 35 per cent below the normal quotient. I indicated that the provisions within the Electoral Boundaries Readjustment Act were very astute and complete in their consideration of the special factors that affect northern Ontario seats. I quote that particular section:

> the commission may depart from the strict application of rules (a) and (b) in any case where
>
> (i) special geographic considerations, including in particular the sparsity, density or relative rate of growth of population of various regions of the province, the accessibility of such regions or the size or shape thereof, appear to the commission to render such a departure necessary or desirable, or
>
> (ii) any special community or diversity of interests of the inhabitants of various regions of the province appears to the commission to render such a departure necessary or desirable,

The northern portion of Ontario represents roughly two thirds of the total area of the province. Since World War II there has been a tendency toward greater centralization within urban areas. On information which is now available it is projected that by the year 2000, 90 per cent of the total Canadian population will be concentrated within urban centres.

Although we in this House may pride ourselves on being able to govern the affairs of this nation, the whole power of the body politic within Canada is subdivided. Jurisdictionally and constitutionally, we have the provinces and the federal government. No one will deny those governments are located in large urban centres and their deliberations and concerns are influenced by those centres.

Economic activities within a country have a great deal of influence on the government of that country. In turn, its economic activity is guided to a considerable extent by the corporate entities within the country. Those corporate entities are predominantly located in the large urban centres. That is where they have their head offices. They are motivated by the feelings generated within those large urban centres.

The press, which has a great deal of influence on the development of a country and on the opinion of the electorate, is primarily located in large urban centres. One need only listen to the complaints from western Canada relating to CBC newscasts. All news coverage is concentrated toward Toronto. The net effect is that a direction is given to our country which is really an urban direction.

The paradox is that we have four million square miles of territory. This four million square miles is, but for a very small percentage, occupied. If we are to encourage the development of this area we ought not to start by reducing the number of representatives which flow from it into the central locations. I would be very sorry to find that northern Ontario, which is rich in all that is now in demand on the international market, would find itself without representation. I would not like to see the exploitation of that area directed from the large urban centres.

I am looking at the hon. member for Parry Sound-Muskoka (Mr. Darling). Although he is considered to be in southern Ontario, his problems are very similar to those being experienced in northern Ontario. He understands very well of what I speak, and is very sympathetic with the position I have taken.

I will conclude my remarks and hope this bill will pass with all dispatch. I will cite one of my early childhood heroes, the Prime Minister of this country in 1946, the Right Hon. Louis St. Laurent, when dealing with redistribution during the 1946 debate. He said:

> Do we always realize that the area of this country is enormous—from one ocean to the other, from the boundaries of the United States to the North Pole, an area scarcely smaller than the whole of Europe and somewhat larger than the whole of the United States? Of course, were it not for the fact that only a relatively small fraction of it is regarded as potentially valuable for agricultural purposes, it would be difficult to explain why there are only twelve million people in that vast area; but the representation is territorial and the territory is very large.

● (1720)

He places this comment in the context of the criteria which should guide redistribution, and in his mind, a very lucid and far-seeing mind, he maintains that the primary consideration should be representation on the basis of territory. Representation by population is essential, and I agree we should keep as close as possible to that standard if we are to maintain our democratic principles. Nevertheless the element of territory is very real in Canadian history and it will become even more important in the future as we accept increasing numbers of immigrants, as our own population grows, and as we occupy territories which will then be ready for more intensive development.

I am pleased to support the hon. member for Edmonton-West. There may be other occasions upon which I shall be pleased to do so, though I cannot for the moment think of any.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this is an interesting afternoon. First of all I am in the position of being able to congratulate the hon. member for Edmonton West (Mr. Lambert) on what appears to be the second occasion within a couple of years

when he is winning something in private members' hour. A year to two ago a private member's resolution he introduced was referred to a committee, which was in itself a success, though I do not think it went any further.

Mr. Lambert (Edmonton West): At least they reported it back unanimously.

Mr. Knowles (Winnipeg North Centre): And was that as far as it went?

Mr. Lambert (Edmonton West): No, there is legislation coming.

Mr. Knowles (Winnipeg North Centre): Now here again the hon. member has a bill which has a good chance of receiving second reading, provided some of us do not exercise our right to talk it out, and I have no intention of doing that.

The other thing I find interesting this afternoon, something which almost leaves me speechless, is to hear the hon. member for Nipissing (Mr. Blais) supporting a bill brought in by a private member on the opposite side of the House. His usual role in private members' hour is to oppose or talk out anything which comes from this side. Mind you, though, when the hon. member from Edmonton West and the hon. member for Nipissing are agreed, I feel I should read the legislation again and make sure that something is not being put over on us.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Actually, Your Honour, I do not object to this bill. I am not wildly enthusiastic about it, but I do not object to it and I am prepared to go along with it on the understanding that it be given second reading and that the bill itself, not just the subject matter, be sent to the Standing Committee on Privileges and Elections. Because there are one or two things I would like to say in reply to remarks made by the hon. member for Edmonton West, I thought I would like to make it clear at the outset that I am prepared to support the bill.

I would like to say, Mr. Speaker, that I am unrepentant over the issue of redistribution by an independent commission. I have had plenty of experience of the old regime under which redistribution was done by a committee of this House. In effect, this meant it was done in the offices of some of the ministers—the key minister for each province really drew the map for that province, and the committee just went through the motions. I do not want to see us go back to that system and I am sure that nobody else does, either. Even those who are critical of the present method do not suggest we return to redistribution by the members of the House.

The constituencies belong to the people, to the country, and they are not ours to draw up or carve out, whichever figure of speech you want to use. For this reason, I wish to take a close look at the bill before us and be sure that it will not stymie or hurt the process of redistribution by an independent commission. I do not believe it does and, therefore, as I said before, I am prepared to go along with it. But I do not think this is an occasion for blasting away at the things the commissions have done.

[Mr. Knowles (Winnipeg North Centre).]

The hon. member for Edmonton West said that the redistribution boundaries produced last time, the maps for which we received in 1973 or in 1974, created almost a rebellion on the part of hon. members. I know that in one or two provinces there were pretty strong feelings about the way the lines had been drawn, but for the most part the complaints made against that redistribution, and the complaints which resulted in legislation being introduced to postpone it, were not against the way the lines had been drawn by the commissioners it was because of the apportioning of the number of seats to each province as determined by the terms of the British North America Act.

So what members really were saying when they wished to put off redistribution at that time, was that they wished to look again at the formula for dividing the number of seats among the various provinces. I, too, think that the time has come when we should consider, if we retain a redistribution formula in which a floor is provided for areas such as the Yukon and Prince Edward Island, New Brunswick, Nova Scotia and Newfoundland, whether there are now other areas in this country which should also be protected.

However, I should not dwell on this issue because it is not the issue which is really before us today. I also want to affirm my belief that to have an independent commission do the job of redistribution is a much better way. I know that in the case of Alberta there has, in the past, been a good deal of feeling about the boundaries, but generally speaking I think the commissioners have done a pretty reasonable job. The last one, the one that has been put off, hurt me as far as my own constituency was concerned. As a matter of fact, it wiped it right out by name.

I am glad to see the hon. member for Edmonton West shaking his head at that remark.

Mr. Lambert (Edmonton West): They can't wipe you out.

Mr. Knowles (Winnipeg North Centre): The hon. member suggests that they won't wipe me out. They haven't wiped me out. Those boundaries carve up the city in a different way, that is all; it would probably be represented by this same member. But even if the commissioners have done things which some of us do not like, I still think this work should be carried out on an independent basis and that we should not snipe at them. I myself have had bitter experiences in two or three cases of redistribution by a committee of this House.

And now, having declared my faith, having said that I believe in the principle of redistribution by independent commissioners, I want to say a few words about the particular proposals in the bill presented to us this afternoon. The hon. member is asking that when the commissions make their reports to the House—reports which result in our having a chance to discuss them, though I am not sure about that; at least it is in the law—they should append explanations or justifications for the lines they have drawn. He says, and I think quite rightly, that this would make for better debate in the House. Indeed, it might in some cases do away with necessity for debate altogether.

My only concern, and I think it is probably met by the way the bill is drafted, is that the commissioners should

not be made responsible for producing unnecessary explanations. Out of 264 seats, or however many there may be, decisions in the cases of 200, or 225, are likely to be so obvious that no explanation would be required. But there will be occasions on which such drastic changes are made that hon. members will be justified in asking for an explanation. The way the bill is worded, or may be worded when it comes out of committee, can take care of that.

● (1730)

I hope, as I say, that the interpretation would be that in cases where an explanation is obviously called for, that explanation should be forthcoming, but that we would not put on the commissioners the responsibility of writing a long treatise in explanation of every constituency's boundaries in view of the fact that in many cases they would be quite understandable.

So, Mr. Speaker, let me stick to the unofficial agreement that we made about keeping speeches short and say that, with these comments on the part of one who firmly believes in redistribution by an independent commission, I am happy to see the bill before the House today, and I trust that it will go to committee not later than six o'clock.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I will try not to exceed the ten minutes allowed to me, but first I would like to thank the member for Edmonton West (Mr. Lambert) for having introduced that bill. He said a while ago that he was bringing it in for the third or fourth time. I suppose he believes in the saying: Practice makes perfect. This evening, he deserves our congratulations, because he prevented the government from killing his bill, since all members stated their views when the new legislation on the electoral boundaries readjustment was introduced. This legislation was not supported by all members. I think that the Electoral Boundaries Commission was blamed for its work.

A while ago I heard the member for Winnipeg North Centre (Mr. Knowles) say that he would still prefer to entrust the work to an independent commission rather than to hon. members, even if it should indeed be assigned to them. If hon. members wish to give up that work and leave it to an independent organization, we will have to make sure, Mr. Speaker, that this commission acts with full knowledge of the facts.

Insofar as my area is concerned, I daresay I believed for a moment in this commission and I went along with the others in saying that we could give this work to an independent commission. But today, I am less of a dupe and I say that we need responsible people and the responsible people in this House are the Members of Parliament chosen by the people. When one has serious work to do it is not time to give it to others, it is time to take one's responsibilities.

When I finally got to know what the limits of Roberval riding were, I tried to discuss things with the commissioners and I was told it was too late, that everything had been done and that the act was about to become law. If a Member of Parliament does not have more authority than that in this House and if such an important matter as electoral limits is left up to a dictatorial organism, I believe it is time for us to make a stand. We should not forget—and the commissioners seem to have done just that—that to trace the limits of a riding, it is not sufficient to take a piece of paper, to draw a line on it and say: "We are not going there". When a rural riding has a population of 50,000 to 60,000 with distances of 120 to 150 miles, this population is brought up to city levels, say 90,000, by taking two rural ridings and melting them into one; in the towns, it is easy, Mr. Speaker. Take four blocks and you get 90,000 or 95,000 population.

But in a rural area it is not the same thing and that is what I noticed when I examined the electoral act. I noticed that no account had been taken of the riding's demography or of the social or economic contacts of its population but these are essentials that cannot be ignored in a riding. For example, cutting up a small town of 10,000 or a parish in two and making the people go 150 miles on one side and those in the other part of the parish another 150 miles on the other side, just is not practical.

If we cannot find commissioners who are knowledgeable enough in their areas in each province and especially in Quebec to see that justice is done for the citizens of Quebec, I believe we will simply have to, not only improve the act, as proposed in Bill C-214, but repeal it and start all over again. If we can do otherwise, all the better. The government seems well disposed, but I for one was looking forward to December 31 with fear. I thought that, if the act was to be in force on December 31, and if no one did anything, it would have been a disaster, a revolution in my region. I have always thought the role of an MP was to serve his riding. At the present time, it would be physically impossible to serve a riding as big as that of Roberval that is to be created by the fusion of two ridings, those of Lac-Saint-Jean and Roberval. It is impossible and it took totally ignorant commissioners to propose such a thing.

I did not have the opportunity of appearing before the commission because I was not here at the time, but today I can say to the commissioners that they acted like dunces. If people cannot be found who are competent enough to do justice to the people, then let the job be entrusted to hon. members: they will do the job.

Of course, the Canadian population is growing. It is not absolutely necessary for Quebec to have 74 ridings. If the population increases, it is much easier, to my mind, to increase the number of ridings. Their number was increased in order to have all the Liberals on the same side. It would be much easier to increase the number of ridings, to do justice to the people, than to extend the limits of the ridings and thus make the members' task impossible to perform.

That, then, is what I wanted to say about the subject. I trust the bill will be sent to committee where it can be studied further. I am not a member of that committee, but I sincerely hope that its members will try to amend it; if need be, let them assume their responsibilities and present a bill that takes into account the needs of the people.

● (1740)

[*English*]

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I should first of all like to thank the hon. member for Edmonton West (Mr. Lambert) for presenting this bill. I

might say I enjoyed the remarks of my neighbouring colleague, the hon. member for Nipissing (Mr. Blais), and was delighted that he also supports the bill. Certainly we both represent rural ridings, and along with a great many other members of parliament in this great country we want to see that rural areas are represented in the best way possible.

The previous bill before this House received a great deal of input from a great many of our sitting members of parliament who came out with the philosophy, "One man; one vote", and said this was how it was supposed to be. They asked why a rural elector should have a vote worth twice, or even more, that of a city elector? I am well aware of the great populations in our cities, especially those two great metropolitan areas, Montreal and Toronto. However, there are exceptions even in those areas where certain ridings comprise perhaps 20 by 30 city blocks containing a terrific number of electors. This, to a rural member, is absolutely crazy.

I can think of two ridings in metropolitan Toronto, I believe Spadina and Trinity, where there is a relatively small number of electors, much smaller than the number of actual residents. A great many people who reside in those ridings are not citizens and probably will not gain citizenship for some time, yet they are counted in the total population. Those members of parliament tell us to look at the number of people living in their ridings as compared to my riding of Parry Sound-Muskoka, for instance, which encompasses some 10,000 square miles with a population of 62,000 to 63,000 people, and an electorate of 43,000. This is one fact that ought to be drawn to our attention.

I should also like to congratulate the hon. member for Winnipeg North Centre (Mr. Knowles), one of the sages of this House, who suggested that perhaps members of parliament cannot be entirely trusted to set boundaries, and for that reason an independent commission is much more appropriate.

There is some truth in that, but in a great many cases the members of parliament know a lot more about the boundaries and where they should be set than any independent commission. As I understand it, in the last drawing of boundaries some of the commissioners sat in their ivory towers in the cities of Toronto and Montreal without ever going to the actual ridings. They were, therefore, not familiar with natural boundaries such as rivers, highways and so on. Certainly members of parliament might have a bias in respect of boundaries, but most of them are more knowledgeable as to proper location of boundaries than any independent commission.

I understand this bill is to receive approval on second reading and that there may be others who wish to speak, so I will not take any more time except to say that I support it, and I am pleased to see support for it from all sides of the House.

Before concluding I should mention that, as a result of the bill which is to come before the House next week or in the very near future, the province of Ontario will gain the greatest number of seats of any province—I believe seven to be exact. These seven additional seats will probably go to that golden horseshoe, the great metropolitan area of Toronto, and we in northern Ontario will again be left out, Mr. Speaker.

[Mr. Darling.]

I want to point out to the hon. member for Nipissing that I class myself as part of that great northern part of the province, and we want to be damn sure that we are not going to be shortchanged or left out in the cold again as a result of that bill, while the great metropolitan area gets even more representation than that to which it is entitled. We know the population, of course, is in that area. I was again discouraged to hear the hon. member for Nipissing refer to the fact that over 90 per cent of the people living in Canada by the year 2000 will be living in that metropolitan area. That is not an encouraging fact for those of us who are living in the rural parts of Canada.

This again focuses attention on the fact that the British North America Act should perhaps be amended, throwing down the drain the 10 provinces and substituting five provinces, namely Montreal, Toronto, Vancouver, and I guess Winnipeg, with the other province being rural Canada. Let us hope that does not happen because rural people are entitled to the very best representation possible. Representation by population should not be the only criterion, any more than what some of us suggest, namely, representation by acreage.

Perhaps we should require a minimum of 5,000 square miles for each riding. If that were the case Toronto and Montreal would come out on the dirty end of the stick, but there has to be some reasoning in order that rural areas of Canada are protected. If independent commissions are to set these boundaries for redistribution, that is fine, but I think they should have some guidance from members of parliament.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I should like to confirm what the hon. member for Parry Sound-Muskoka (Mr. Darling) has said, that there will shortly be introduced in the House a bill to amend the British North America Act. However, that bill will only deal with redistribution of parliamentary seats as between provinces, and will not deal with redistribution of seats within provinces. It will provide for a modest increase in the size of this House, and I can assure hon. members that I am not telling tales out of school because those members who were active on the Standing Committee on Privileges and Elections during the last parliament are aware of these details.

Let me now make a few remarks about the bill before us, put forward in the name of the hon. member for Edmonton West (Mr. Lambert). One of the things frustrating all members is that, when looking at previous maps, we find that proposed redistribution will not only affect us individually and personally but will also affect the constituents in our ridings.

We are frustrated when trying to discover any logical and coherent philosophy behind the decisions of the provincial commissions. To compound that confusion, very often there is no continuation of any common philosophy on the part of the commissioners as between provinces. In other words, we find 10 different philosophies in respect of redistribution within a province. I do not deny, because of the way the population is spread out through our country, that this is desirable. However, I do feel that this bill provides a correction to the kind of laissez-faire attitude commissions take in determining how redistribution is to take place.

• (1750)

Those who have the responsibility for taking a decision it seems to me should also have the responsibility to provide reasons for having taken that decision. Right now the commissions are in the position of being able to take a decision without having to give any reason. I cannot think of anything more irresponsible. However, the legislation permits that, and this amendment would have the effect of forcing the commissions to make a reasoned argument to justify what they are doing in a province. It may have a much more substantial effect in respect of the way in which redistribution takes place within a province than is now the case.

I feel the principle of having to explain the reason for a decision is a good one, not only in respect of redistribution but in respect of other spheres of activity. Therefore I am happy to support this bill. I am pleased that it will go to the Committee on Privileges and Elections.

I would hope that when the bill goes to committee we would have an opportunity to focus attention on the principle in the redistribution bill concerning the distribution of seats within a province.

My last comment is to remind hon. members that this bill is no solution to the problem of distribution of seats within a province. It does not touch on that. I do not think it is right for members to raise expectations where there are no expectations possible. It is a very limited bill. I think it will have a very desirable effect. It is a desirable amendment, and I am delighted to support it.

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

Some hon. Members: Question.

Motion agreed to, bill read the second time and referred to the Standing Committee on Privileges and Elections.

Mr. Reid: Mr. Speaker, may I call it six o'clock.

The Acting Speaker (Mr. Penner): The hour provided for the consideration of private members' business is now deemed to have expired. Perhaps the House will agree that we go back to Committee of the Whole before the Chair calls it six o'clock.

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

The House resumed consideration in committee of Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of

Canadian crude oil and natural gas in interprovincial and export trade—Mr. Penner in the chair.

The Deputy Chairman: It being six o'clock I do now leave the chair until eight o'clock this evening.

At six o'clock the Committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Deputy Chairman: When the Committee of the Whole rose at five o'clock it was considering clause 2 of Bill C-32, and the Minister of Energy, Mines and Resources had the floor.

Mr. Macdonald (Rosedale): Mr. Chairman, at five o'clock I was responding to a number of points which had been put to me by the hon. member for Crowfoot who was with us at that time. I dealt with his query about oil pricing and said that of course the major international companies, such as Imperial Oil and Gulf, would like the price to go up to the international price as soon as possible, but that this government does not happen to agree with that and we think we have the means to protect the Canadian consumer.

The same is true with regard to natural gas. While we think that over a period of time it would be desirable to move to a commodity value relationship between oil and natural gas, we do not think that this should occur in one year. There have been some suggestions by members, such as the hon. member for Crowfoot, that this would be of exclusive benefit to central Canada, as though there was something wrong with that particular group of Canadians being protected in this way.

With regard to natural gas perhaps I can remind the House, and members from Saskatchewan and Manitoba in particular, that they too are the consumers of Alberta natural gas, indeed that a far greater percentage per capita of individual householders in those two provinces than of householders in Ontario and Quebec use natural gas. They as consumers would also be grievously affected if the price of gas were allowed to go to commodity value at this point.

It is for that reason that the government has proposed a formula for phasing up the price of gas, over a period of years, to commodity value in a way that would be fair to the producing provinces, but at the same time softening the impact on the individual consumer.

One of the questions which the hon. member raised was with regard to the financing of the Montreal pipeline. He said that the government should give an undertaking to the company in question which, as he pointed out, was a subsidiary of a number of major international oil companies, in order to make certain that the pipeline would be built.

The position which the government has been taking is that the public purse should not be exposed to any more expenditure for building this pipeline than absolutely necessary to make certain that it goes through. In other words, in certain circumstances we could indeed give some

very expensive undertakings to the company. We think, however—and this has been the tenor of our negotiations—that we should achieve our objectives without exposing the taxpayer to a substantial potential expenditure in the future if the contingency about which the company is concerned should in fact take place.

The hon. member for Crowfoot raised a question about the number of amendments which I have distributed to other parties on behalf of the government, and which we intend to put to the House in due course. As I said when I introduced this stage of the proceedings yesterday, there have indeed been a number of amendments worked out by my advisers as a result of representations made following scrutiny of the bill by the general public. I make no apology for that. It seems to me that that is exactly what the three readings procedure of our House of Commons is about, that the bill should be given first reading and that members of the public who will be affected by it, who may be in special situations which may be adversely affected by the application of any clause of the bill, should have the opportunity to respond. The government should take account of this kind of response and, in due course, put forward amendments. That seems to me to be a reasonable and sensible course of action, far more sensible than saying, "We put the bill down, it is graven in stone and we will make no changes."

Finally the hon. member for Crowfoot asked what would be the formula for the pricing of petroleum after June 30, 1975. I think that probably the best answer is the answer that was given by the ten provincial premiers and the Prime Minister when they met a week or so ago in connection with inflation, that is, that the appropriate oil price after the end of the agreement which they negotiated on March 27 should be a matter of further discussion and negotiation in May, 1975.

I think that at that time there will obviously be some conflicting views coming in, on the one hand from the producing provinces saying, "Let us go to the highest possible international price right now so that we can get the full benefit," and on the other hand from the consumers, namely, British Columbia and the provinces to the east of Saskatchewan, saying "Come now, let us keep the price down so that we do not have to absorb this in a short period of time." This will be a matter of negotiation between the premiers of the different regions under the leadership of the Prime Minister.

● (2010)

The hon. member has been saying that we should conduct this kind of negotiation rather than adopt, by fiat, and in advance, the kind of formula which it is suggested will be followed. I think I have responded to the questions raised by the hon. gentleman and will be glad to clarify further, if I can.

Mr. Horner: Mr. Chairman, I have a further question to put to the minister and I should like something clarified. First, let me comment on something the minister suggested before supper. No member on this side of the House believes, so far as I know, that Canadians should suffer because of fluctuating oil prices, or because of high prices charged on the world markets for oil. We want to see stable oil prices and a mechanism in this country which will keep them stable. Further, we want to make sure that oil exploration in Canada is not discouraged.

[Mr. Macdonald (Rosedale).]

Before supper the minister was somewhat political in his remarks. The trained seals behind him thumped their desks at the suggestion that the Liberal party stands for cheap oil for central and eastern Canada and the Conservative party for world oil prices for all Canadians. This House must meet any such suggestion head on. We must assure Canadians in all parts of Canada that we are all in favour of continued energy supplies, and that no Canadian will be asked to go short of energy today in return for some possible benefit in the future. The minister has suggested that there must be a trade-off between our needs of today and those of tomorrow. I do not think any Canadian has ever agreed to such a bargain. We suggest that the price should be high enough to encourage continued exploration in Canada.

The minister said that the $6.50 per barrel price will prevail until July 1, 1975, after which he, or the commission to be established under the bill, may renegotiate the price. That brings me to my point. Why are we dealing with this bill today? Why has it been given such high priority, in view of the imminence of the budget which is to be presented on November 18? The previous budget of May created great uncertainty in the oil and gas industry, as it proposed that royalties paid to provinces should not be considered as an expense. Yet here we are discussing a bill to do with energy, a bill which will confer certain powers on the commission to be set up, and we do not know what the next budget will propose.

The people in the oil and gas industry are uncertain. The minister has been in western Canada and talked to the people of Calgary who, I am sure, were not bashful in presenting their views. He knows the extent to which the coming budget will affect employment and exploration activities. The companies are waiting. They have made out their expenditure programs, but want to see what the budget will propose. The minister did not touch on that topic at all.

To show how ridiculous this debate is, let me quote from a transcript of an interview which the Prime Minister gave Ron Robert on November 13, 1974. Mr. Robert was discussing the Mackenzie Valley pipeline. I will not read the question, but the Prime Minister said this, in answer to whether the pipeline would be built:

> No, this is a policy which has been discussed in caucus. I don't think that the caucus has been divided on it, I mean in terms of regions. There are individuals of course who feel strongly against the Mackenzie pipeline, and those who feel very strongly in favour of it. You know the government's position on it.

Now comes the key phrase:

> It is one of waiting for the National Energy Board to state, well, the facts of the situation:—

The point is that we are being asked to pass this legislation tonight, but the Prime Minister said that the government policy is one of waiting for the National Energy Board to report. I continue quoting:

> —how much energy do we have, how much it will cost, and so on. It's only after that that the government will have to give precise answers as to timing and financing and so on, and at that point, caucus will be involved. They can give their opinions too when they've seen the National Energy Board report.

The Prime Minister wants his caucus to read the report from the National Energy Board, but he wants this House to pass this particular piece of legislation at this time. He does not want this House to exercise the judgment which his caucus will be asked to exercise. How foolish can one be. Before supper the minister suggested that the National Energy Board report to the government, that the report will not necessarily be made available to parliament, but that out of the graciousness of his good heart he will let the two producing provinces, Saskatchewan and Alberta, see it. At no time did he suggest that the report will ever be made public, not even after it has been printed in French and in English!

Actually he hinted it may never be made public. Such failure to disclose would be a sin against the Canadian voter. What did the Prime Minister say? He is the guiding light in this country and he knows how important is the report of the National Energy Board. He said that the government's position is "... one of waiting for the National Energy Board to state, well, the facts of the situation." Only then will the government give precise answers as to timing, financing and so on, and at that point caucus will be involved. According to the Prime Minister, "They can give their opinions, too, when they've seen the National Energy Board report."

Although I have not consulted my colleagues, I think I speak for them when I say that it would be proper for someone to rise and move the adjournment of this debate, and ask the House to deal with other legislation. Surely we are entitled to the same privileges extended to the Liberal caucus. Surely we should be asked for our opinion after we, too, have read the National Energy Board report. Asking us to pass this bill now is an insult to our intelligence and an insult to the intelligence of parliament, especially in view of what the Prime Minister said on November 13.

An hon. Member: But you are not asking a question.

Mr. Horner: That is exactly right. We are in committee of the whole and I can make another 20-minute speech if I like. I say to the minister, why does he not rise in his place and ask for adjournment of this debate. Let us deal with something else, until we have the facts. I think the minister said he would send this report to the provinces.

● (2020)

We should also have before this parliament the advice of the producing provinces. It is foolishness and irresponsibility on the part of the government to ask us to deal with the question before the fact. The press gallery, the fifth estate—

Mr. Macdonald (Rosedale): The fourth estate.

Mr. Horner: That is right. The fifth estate is the mafia. I am sorry I got them mixed up. The minister knows well of the fifth estate. It has a been a tradition within our democratic system that the fourth estate makes certain that government answers to the people.

If the official opposition were irresponsible and readily accepted the plausible, saleable position of the government in trying to put this bill forward, it would be a contradiction of what the Prime Minister does by insisting on knowing all the facts. How can constructive criticism be expected from the opposition until we have all the facts from the National Energy Board report?

Will that report be made public before the November 18 budget? I ask this question because of the very important position of the budget and also to satisfy the hon. member to the minister's right.

Mr. Béchard: Thank you very much.

Mr. Horner: Will the minister state that those facts will be given to the public before November 18 so that we will know the impact of the budget on the production capabilities of our industry for the betterment of all Canadians? That is the question.

All or most exploration companies, both Canadian and international, are waiting for the budget. The report of the National Energy Board should be in their hands and our hands before the budget comes down so that we can appraise the exact attitude of the government with regard to further exploration.

As I said before the dinner hour, this is the only country in the world that has turned down exploration for the past two years. Was it foolishness, extravagance or do we really have that much that we can turn off exploration? I think the National Energy Board report will make it abundantly clear that we were in fact foolish to turn off exploration. We have lost a time gap which was ours. We could have caught up and met our needs after 1983. Regardless of whether Petro Canada pours millions of dollars into the tar sands, we will still be in a deficit position until after 1983 when production from the tar sands should catch up with our demand. Also, we must uncover more resources than are now known in both the oil and gas fields.

Will the National Energy Board report be made public to members of this House and the industry, or will it be kept solely for the purpose of the Liberal Party? Will it be made public prior to the evening of November 18? I will give the minister an extra half day and only ask for it prior to that evening.

It is of vital importance to the industry and all Canadians to know where they are going. If the minister really wants to serve Canada, he will stand in his place and ask that this debate now cease. The House Leader can bring in other pieces of legislation. We could deal with some of the Senate bills that are before the House if the government wants to kill an extra hour and a half tonight.

Let us treat parliament with some degree of respect. The minister should show the same amount of respect that the Prime Minister is prepared to show the Liberal caucus.

Mr. Macdonald (Rosedale): Mr. Chairman, I think the basic theme of the hon. member's remarks were in his last few words when he talked about killing the remaining hour and a half this evening. There is an important point that should be made for the record. The Leader of the Opposition is making threats about continuing the debate. That is fine. I hope the record will note that.

I am sure the hon. member for Crowfoot would not want to mislead this House or the readers of *Hansard* in what he said. The National Energy Board report that Mr. Robert

referred to in his question was not the report about which the hon. member questioned me yesterday. The report he was referring to was the one with regard to the Mackenzie Valley Pipeline which will be produced by that board after a full set of hearings for which application is now being made before the board.

I am sure the hon. member would not try to mislead the House by taking quotations out of context. With regard to the National Energy Board report on oil, I responded to the hon. member on this question as reported at page 1286 of yesterday's *Hansard*. I indicated it had been put in the hands of the provincial government. It has not yet been put in the hands of my colleagues, either of cabinet or caucus. It will, of course, be made public as soon as we are in a position, as I indicated before supper, to announce our intention with regard to the appropriate export level.

It is important to get the reaction of the government of Alberta on this. It will be of serious importance to the level of production in that province. I agree it would certainly be of assistance if we had it at this point, but unfortunately we do not. The government will wait with patience for the provinces. If in due course they are not prepared to respond, we will have to take our responsibility.

I am sure parliament will want to react to it. I hope members will react intelligently. What the government will do is make its decision as to the proper level of exports, taking into account whatever level of exports the province of Alberta may think appropriate. We will take our responsibility in this regard.

I look forward to any meaningful substantive response which the Leader of the Opposition or his colleagues may have in this regard. I will welcome it. When it gets down to the substance of dealing with this energy question, I think I can say that the Leader of the Opposition has been almost the least informative man in Canada.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): Mr. Chairman, this is my first opportunity to speak in this debate. I would say that the minister's true colours are now coming out. As far as the oil and gas business are concerned, prior to September, 1973, I thought that all he knew was that gasoline came out of a pump and oil was brought to your home by a truck. I thought that was all he knew about production and the background of the industry.

On Labour Day 1973, this government imposed the export tax. That was the beginning of the intervention by this government. If there ever has been an industry in this country that has suffered from ham-handed amateurs not only tinkering but slamming with sledgehammers, it is the oil industry.

Hon. members think the oil industry is something that exists way out somewhere. They do not bother with it. I say to hon. members that businesses in their constituencies later this year and next year will have cancelled orders for unfilled sales because the supply firms that deal with the oil industry have to cut back.

We must look at the number of drill rigs that have left. We must look at the capital that has been committed elsewhere by the oil companies. Over 60 per cent of the

wells drilled in this country are drilled by independents, but because of the action of the government, the tax proposals of last May and the attempted long range control of the industry, Canadian companies are unable to raise capital and have been forced to cease operations with the result that Canadians are being laid off. If the government only knew the damage it was causing to Canadian industry! But that is beyond its ken.

● (2030)

We know there was a meeting in January, but that was a preliminary meeting. Neither the government of Canada nor the premiers of the provinces knew much about what they were discussing at that time. We hear talk about an agreement in March. There was no agreement—no voluntary agreement. The premiers of the producing provinces were told they could either accept the price or it would be legislated. Yet we hear this talk about sweet agreement being reached in March. Nothing doing!

Part of this bill represents the working out of a one-price policy. If the government wants to take credit as far as the levelling off of prices in Canada for domestic consumers is concerned, let me point out that this suggestion came first from my hon. friend, the Leader of the Opposition. If that be the objective, it can be done out of the revenues of the government itself. It is not good enough to say that prices are to be levelled off on the back of the industry which is not getting the export tax.

I have not heard that the Province of Quebec is not allowed to sell its lumber at world prices. On the contrary, it is allowed to sell any product it chooses at the world price. British Columbia is able to sell its lumber at world prices. The people of Saskatchewan and Alberta pay world prices for farm machinery and also for automobiles and trucks. I say this is a policy which is politically motivated. The extensions which follow from this policy, as far as natural gas and the tar sands are concerned, are on the basis that the government wants to lay a heavy hand on the natural resources of the province in order to control those natural resources. It feels it can get away with it. But it would not dare to try it in the case of the Province of Ontario.

[*Translation*]

That would be unthinkable for the province of Quebec, but since Alberta and Saskatchewan are the ones involved, they will be saddled with that.

[*English*]

As a result of these proposals and the budget proposals combined, every province is threatened and a precedent is established for the federal government to move in on the natural resources of any and all of the provinces.

Mr. Béchard: For the good of all of Canada.

Mr. Lambert (Edmonton West): All of Canada! This is only happening because the oil and gas of Alberta are bringing $5.20 less to the operators. I do not hear of operators in other provinces being faced with an export tax. Will there be an export tax on the electric energy of Quebec or of Newfoundland when it is exported? I say there is a political motivation. We hear about an agreement in March. Well, it did not touch natural gas. That is a

new intervention. Consider the tar sands. What business has the government with the tar sands or their development? But ministers are putting their hands on it now. They want to get in, even though they do not have the knowledge.

It would be very interesting, I am sure, if I were to stand here in my place and suggest that the government of Canada devise a system to deal with the interprovincial distribution of electrical energy in this country, and then set the price. I can hear the screams from across the way. "Keep your hands off", they would say. What about the iron ore of Ontario? We need it in Alberta. Are we not entitled to have it at a lower price? I am amazed at the hypocrisy of some of the people who defend this policy.

Again, we heard references today to the mythical pipe line the government was going to get built in six months, or thereabouts—a period which has now, it seems, been deferred indefinitely. It is supposed to be a two-way system. There are claims that Quebec wants it to be a two-way proposition, and so does Premier Regan of Nova Scotia if he can get an extension built that far. Why? So that should offshore oil get cheaper they will be able to funnel oil back through the pipe line. And then, bye-bye to the oil producers in Alberta—"Too bad, chaps, but your oil has become too expensive, so you can keep it; we can get it from abroad more cheaply." This won't wash. We sometimes hear about separatism in Quebec which is on a cultural basis. I want to say to the government in all seriousness, keep this up and you will hear a lot more about separatism in western Canada, and it will be on economic grounds.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): These great western experts who come from eastern Canada have never been out there. Let me assure them that this can be one of the totally unwanted but natural consequences of this type of action, which is directed at one, possibly two provinces. When we talk about the tar sands we are talking about one province.

● (2040)

Mr. Béchard: This bill is designed to help Canadians.

Mr. Lambert (Edmonton West): The hon. member says it is designed to help Canadians. Let the government follow through on the suggestion of the hon. member for Qu'Appelle-Moose Mountain regarding an electricity grid. Let us see whether the government will accept that.

Mr. Béchard: In the same circumstances, yes.

Mr. Lambert (Edmonton West): My colleague from Crowfoot dealt with the question of the pipe line and a guarantee of supply of throughput. I suggest that it is not quite as simple as the minister indicated. One of the uncertainties that exist relates to a point that the hon. member for Crowfoot and I have been making concerning the actions of the government since September, 1973, and its export tax, as well as the budget. The uncertainty that has been created has driven the industry into a marked decline. We saw the same sort of thing happen once before, though the situation was not nearly so bad. This was in connection with the government white paper on taxation. That was bad enough. The tax bill that followed was not nearly so bad, but it did unsettle the industry no end.

If hon. members think that the petroleum industry is financed from Friday night to the following Monday morning, then they have another think coming. Funds have to be committed 18 months to two years ahead of time. Drilling programs and exploration programs have to be worked out over an equally long period of time. But all this can be knocked down overnight, and this is what is happening now. That is why there was such a violent reaction on the part of the people of Alberta and from us as representatives from that province to the government's program, which singles out one particular industry in one particular region of the country for particularly discriminatory treatment.

I will have more to say about the bill when we get further into it. I shall have something to say later about the idiocy of the thinking that one Crown can bind the other as to licences, offences, penalties and other consequences that flow from the bill, as a result of the wide statement made in clause 3.

Mr. Elzinga: Mr. Chairman, I wish to make just a few general comments on Bill C-32, which is to become the national petroleum administration act. At the outset let me say that I am a strong nationalist and that the welfare of all Canadians must be our first concern. I believe that we as Albertans, because of our past actions, have shown this to be the case. But what disturbs me is that the federal government now wishes to fleece the western region of our country. This bill will seriously undercut Alberta's constitutional authority. I say this not only as a concerned Albertan but as a concerned Canadian. If the federal government is allowed to invade provincial authority in this area, what is going to stop it from invading provincial authority in other areas? Other provinces have other resources that may well be on the chopping block of this federal administration.

Throughout history natural resources have been a lot more than mere financial problems of provincial and federal governments. It now appears that the federal government wants all the gravy. For 50 years the west lived or died on its agricultural base. Now the oil fields and gas fields have changed that considerably. A great many of the benefits that have emerged in the west over recent years are the result of our natural resource development, and the same is true for the future. It is not only a matter of money, but the principle of Ottawa's interfering where it ought not to be interfering. Ottawa is intruding simply because it wishes to have part of the bonanza, only because it wishes to have part of this wealth.

Ottawa's interference is going to stagnate our oil development. Rising world prices should be serving to stimulate the exploration of oil development, but this will not happen with the system that the federal government plans to impose. This government has responded with great enthusiasm, hiring more people to survey, to collect data, and to search for reasons as to why it should be involved in this area. As far as I am concerned, the government has created more problems that it has cured. The more government becomes involved, the more it is going to cost us. If it takes 20 per cent of the wage earner's money now, it will

take 30 to 50 per cent after the government has taken control.

It is hard for me to understand why so many people want more government involvement. In Manitoba there is a government that wishes to control everything, yet one of its own corporations, Manitoba Hydro, is contracting out more of its work to private individuals because it gets no efficiency out of its own departments.

The federal government is putting artificial props in certain places and plugging certain holes at different times, and the result is total confusion. Now is the time to stop this confusion and to formulate policies so that one area is not discriminated against in the way that this bill provides. We, as elected representatives, have a responsibility to guard against these interferences, and now is the time for us to act. Bill C-32 is an intrusion on provincial authority, and for that reason I do not believe it is worthy of our support.

● (2050)

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Chairman, this debate now going on on Bill C-32 is rather important, I would say very important, since it concerns federal-provincial relations on energy development and use.

The development as well as the use of energy have until now been matters of provincial jurisdiction and reasonably accepted as such.

However, because there have been for a couple of years restrictions or an alleged shortage of energy, the federal government took the initiative in poking its nose in provincial matters. It has not been doing so for only two years!

I remember very well, as do my colleagues who then sat in the House, the ferocious battle the government of British Columbia had to fight against the federal government with regard to the agreements British Columbia and the United States had concluded about the Columbia River Treaty.

Ottawa thrust its nose into that to embarrass the provincial government and, in the end, the provincial authorities were fairly victorious. No Canadian province wants the federal government to interfere in its affairs. Be it Alberta, British Columbia, Quebec, the Maritimes, each one cherishes its autonomy and refuses to be dictated to by Ottawa.

This, Mr. Chairman, does not prevent meetings between Canadian provinces and the federal government, in the mutual respect of the two levels of government, but with constant consideration for the provincial rights so that they may not be infringed upon and so that the provinces may take their own decisions. I think that there is no Canadian in Alberta who would want the Maritimes to suffer and that there is none in the Maritimes who would wish such a fate for the western provinces. This is my conviction. That there should be elements protesting against one another, elements from the west against those from the east or from the east against the west, this is obviously inevitable. These people hinder not only the development of our natural resources, but the spirit of

Canadian unity because they are taking completely foolish positions.

Recently, I had occasion to meet, in Toronto, on Pierre Berton's program, Mr. Harridence, a separatist lawyer from Alberta. He lives in Calgary. I believe he was at one time either leader of the Conservative party in Alberta or a candidate to the leadership of that party. He is the fellow who said, out west, during the pseudo energy crisis: "Let those eastern bastards freeze in the dark." A separatist—

Mr. Knowles (Winnipeg North Centre): In French, please!

Mr. Caouette (Témiscamingue): "Laissez ces bâtards de l'Est geler à la noirceur!"

That reflected the same spirit that animates some people we hear in the east who say: "If things are not going well in Canada, it is because the west spends its time begging for help. The west gets more than the east." Some even make of it a French versus the English problem.

In the meantime, all hell breaks loose; hardly any problems are solved and the federal government, instead of putting out the fires, instead of setting up a consultation system, throws oil on the fire, compounding the problem. So, this is where we are now, Mr. Chairman, and I think the federal government should play a leading part and assume its own responsibilities, not by restricting provincial rights but by gathering the provinces at a round table and having them agree to let all Canadians benefit from our natural resources. Then, Mr. Chairman, I think Canadians would be satisfied.

Anyone today can say: We have oil out west, so who cares about the others. But who can tell that in five or ten years oil will still be in as great demand as it is today? Will nuclear energy not be used for pacific purposes, or will it not replace oil just as oil supplanted coal? The federal government then has to interfere with coal mining activities, not only in the maritime provinces, but also in the western provinces, to help them develop those natural resources. But that is no reason why the federal government should say: Those riches belong to us because no province wants to share what it has got.

In Quebec, the magic word is hydroelectric power, and that is natural, we have more than enough—and then some. Same thing as regards forests. Sometimes, a province may own riches required by the whole population, then later it has to turn to another province to get another commodity. So why should we say: We are going to tax Alberta because its products are selling so well at the moment. Its products are in such demand that we are going to tax it to punish it for having too many natural resources. And the same attitude would apply to Quebec and Ontario. Why should we say that?

In the mining field for instance, some mining companies are now urging the federal government to let them go ahead with the development of new mines. That is as far as it goes because the government would immediately be told: you take from us our gains, our profits. So, the companies are not interested in working for the benefit of the government.

Same situation in Alberta, where nobody is interested in working for the benefit of the government. Saskatchewan

owns other natural resources, potash for example. Is Saskatchewan willing to have its policy dictated by the federal government? No.

The federal government's role is to maintain balance and harmony among all the provinces, and the only way to do so is to respect the authority and autonomy of every one of them. I believe the federal government should act as a conciliator, but also as the agent which will examine the possibilities for Canadians to benefit from the development of those natural resources on the international markets.

Mr. Chairman, there is not one provincial premier in Canada who wants to kneel before the federal government to get the permission to exploit the resources of his province. The former premier of Saskatchewan—he is sitting on my right—did not want Ottawa to dictate what he was to do. He had to take his responsibilities, he wanted to take them. The same thing is valid today for the other provincial premiers.

I, for one, say that Ottawa should not penalize a province because it has natural resources, but it should help that province get the maximum out of its natural resources and always keep in mind first, the fulfillment of the needs of the Canadian people, and then consider exports, if we have something left to trade with others. Exports should not be taxed in one province to punish it because it is exporting oil to the United States, for example. Quebec should not be penalized for exporting electricity to Ontario or to the United States; that would be absolutely ridiculous.

Bill C-32 would allow us to tax provinces with production surpluses or natural resources. Mr. Chairman, that bill will not last ten years before some government, whoever they might be, will regret it and will probably have to, if not cancel it, at least amend it to allow the provinces to get on with their own business and be shown the respect they deserve.

[*English*]

Mr. Ritchie: Mr. Chairman, this debate has been good in that it has drawn attention to certain factors that have been overlooked. The main question is whether the government's stand on the price of oil will assure us of a supply in the next four, five or 10 years. Canada has an abundance of energy resource for the foreseeable future, but it will be expensive, and we are now being warned by industry that we could well have a shortage in the early 1980's. Even taking into allowance industrial over-statement, I think we might well have a shortage of conventional crude in the 1980's and become more dependent on foreign supplies.

I think we face this possible future shortage because of the rigidity in setting the price at $6.50 without encouraging development. We are assuming that because $6.50 is high, companies will still continue to search for oil, when in fact oil companies feel they might as well cease exploration and take whatever they can get now, then when the oil runs out they will not have lost anything. I think we are making a grave mistake because we are now at the stage the United States oil industry found itself in the early 1950's. At that time the price of oil and gas was such that it encouraged wasteful use rather than conservation. That wasteful use is now taking place here, and I cite, for example, the use of natural gas to fire some of Ontario Hydro's generating plants.

● (2100)

I do not think that this pricing mechanism of the government will encourage the supply of oil and gas. Coupled with this price the government has set of $6.50, and no indication of what will be done to encourage production and exploration, we have had the budget of last spring which was termed a disaster so far as the oil industry was concerned. Certainly until the twin problem of setting a proper price for oil and the mechanism for doing it is devised—until we know what the government intends to do so far as this is concerned—we really will not have any meaningful discussion of the problem.

Obviously the oil industry can only continue exploration if it is allowed a fair return on its investment. It is stated that the cash flow in respect of new oil would be $1.66 in Alberta on the basis of the May budget proposals, whereas in the United States for new oil the cash flow would be about $5.06 after allowing royalties of 12.5 per cent and a corporate tax of 48 per cent. Exploration is more attractive in the United States.

Apparently some 40 companies have opened offices in Denver, Colorado, and 10 per cent of Canadian drilling rigs are down there. Until we at least reach a normal level of exploration it would seem that we face considerable difficulty. It has been forecast that out of 250 drilling rigs which have been available in Alberta and British Columbia only 110 will be available in these two provinces by next January. This means that we are losing these rigs—the minister has not denied this—and are also losing experienced personnel. This is an indication that in Canada we cannot isolate ourselves from the United States or world markets.

What is the problem in respect of the $6.50 per barrel price? The system is rigid. There is no premium for new oil. There is no differential between old oil, adolescent oil or new oil, and with the present tax situation the industry does now know where it is headed.

As I have said, I suggest there is too much rigidity in respect of the pricing of oil by the government. I would hope that by his attitude the minister would show that he hopes to have some sort of a differential for new oil flows. There must be a standard method of encouraging production. If this were the situation the bill might be seen in a better light. But certainly the pricing of oil as set forth in this bill would indicate that the exploration and production of oil are secondary to holding down the price. While this might be advantageous to all of us, because we like to have low priced oil, it will not do us much good if the result should be a shortage in four or five years.

Mr. Andre (Calgary Centre): Mr. Chairman, with the permission of the minister rather than make any general remarks I should like to address a few short questions to him. First I should like to ask the minister whether he considers this price control regime to be permanent?

Mr. Macdonald (Rosedale): Mr. Chairman, one cannot, given the uncertainties of the international market, be certain of that, but I think it is very likely, as I said earlier

in the debate, that the OPEC countries will continue to the extent they can to enforce their prices on the consuming countries.

From the standpoint that if it is to be a government which controls the price of oil in Canada, it is the feeling of the government that it should be the Government of Canada rather than the governments of the oil-producing countries. This will depend very much, I believe, on where the international price goes. I think if we have learned anything from the events of the last year it is that there has been a series of highly mercurial developments. One thing I think that is clear is that the impetus within OPEC will be to keep the price up, and to that extent, and to the extent we have this power in Canada, I think we should try to cushion the impact of high international prices against Canadians.

Mr. Andre (Calgary Centre): I still have not received an answer to my question. I doubt that there is any point in repeating it because I probably will not receive an answer. Numerous remarks have been made by a number of members during this debate, and of course, there have been remarks made in committee, as well as numerous comments in the press to the effect that there has been a decrease of oil exploration and development in Canada, and that in fact Canada is the only petrolific area in which there has been a decrease in exploration and development in the last year and a half.

Having an awareness of this situation does the minister feel that the situation has reached a point of some concern? In other words does he, as the minister presumably responsible for healthy industries, feel the current situation in absolute terms and in terms of the trends that are developing is a matter of some concern which requires some different action?

Mr. Macdonald (Rosedale): Mr. Chairman, I think we naturally would have preferred that some of their energies had been deployed in Canada, rather than moving down to Montana and Wyoming, for example. We recognize, on the other hand, the appeal of those rather more attractive geological deposits over those in the western Canada sedimentary base. Very naturally, if there should be any substantial drop in exploration, particularly in the more productive areas of Canada—and I am talking about the north and the offshore—this would be a matter of great concern.

Mr. Andre (Calgary Centre): This is the second question to which I have not received an answer. Let me try again, because this is a matter of just more than minor importance. The fact of the matter is there has been a considerable loss of personnel and equipment to other areas, not just to the United States. I have in mind the North Sea, Indonesia and other parts of the world. The fact remains that surely it must be of concern to the government, and to this minister, that we are the only petrolific area in the world that has had a decrease in exploration and development in the last year and a half. Surely that fact must be of concern.

I suggest to the minister that there must be some encouragement, some indication that he appreciates the problem, and will not in fact allow a deterioration of drastic proportions in the oil and gas industry. If there were such encouragement it would certainly help. Perhaps it would not cure the situation, because we need some positive action. However, we should at least have some indication that he is aware of what has happened and that his government feels it has some responsibility in this regard.

• (2110)

Again I ask the minister: what contingency plan does he anticipate to restore the necessary exploration and development activities so that we will remain a self-sufficient nation in respect of the hydrocarbon energies?

Mr. Macdonald (Rosedale): Mr. Chairman, I can only say that I have responded numbers of times to the hon. member for Calgary Centre on these various points but he keeps on putting the same questions. I do not expect ever to satisfy him with these particular responses. He knows, or should know that, for example, oil exploration ebbs and flows, the primary determinant is the geological potential at any particular time. Of course, the North Sea being a particularly hot area at this point and Indonesia being another one, this capital in a highly mobile industry will migrate to those areas. On the other hand the position that the government has taken—and I think it is a little difficult to understand where the official opposition stands on this—is that we should not increase the oil price.

Certainly one can attract a lot of money by increasing the price to international levels, but would it be in the general interest of Canadians to do so? We do not think it would be, Mr. Chairman. We think it would be desirable to have an appropriate division of revenue so that industry gets its share, and this is something which my colleague will be dealing with in the budget. However with regard to the rather apocalyptic terms in which the hon. member likes to describe that industry, I suppose he has to do a little puffing for his clientele, for his constituents in Calgary. We do not happen to see it in the same apocalyptic terms that he does.

Mr. Andre (Calgary Centre): Mr. Chairman, I suppose I could say that the minister does not see it in the same terms as I see it because it is not his constituents and friends who are moving. But, for goodness sake, he is the minister responsible for the energy industries in Canada and I do not know why he cannot take a lesson from his colleague, the Minister of Agriculture, who makes no bones about being concerned about the health of the industry for which he is responsible.

I realize that there are more political points to be gained by taking pot shots at Gulf, Imperial Oil and so on. Perhaps he could leave that sort of activity to the Minister of Consumer and Corporate Affairs, because that is more in line with that minister's responsibilities. The Minister of Energy, Mines and Resources is supposed to be concerned about the long term health of the industry which employs many thousands of Canadians. Perhaps they do not live in his constituency, but they live in Canada and they are concerned about their future. People who live in his constituency have to heat their homes, and unless this trend is arrested we will be short of hydrocarbon and we

will become a net importer. It is tragic that we should get ourselves in that position when it is so unnecessary.

The minister has stated deliberately that it is the view of our party that the price of crude oil should go up to the international prices now. He knows full well that this is not the policy of our party and that it has never been that. In fact our party was the first party to recognize that there should be a uniform price for crude oil across Canada, and that it should be less than the international price.

With regard to a just share of the income, let me remind the minister how we arrived at what is a just share of the petrodollar. A couple of weeks after the freeze was applied on September 4, 1973, the export tax had to be invented because of the National Energy Board Act, and 100 per cent of that export tax was to go to the producing provinces. That was a commitment.

Mr. Macdonald (Rosedale): No.

Mr. Andre (Calgary Centre): Then that commitment was changed to 50-50. But indirectly, 100 per cent was to be spent in the producing areas. That was the first promise. The second one was that the producing provinces would get 50 per cent of the export tax. Then the government said: no, we will use the export tax to subsidize eastern consumers. I will not go over the whole history. Suffice it to say that the March 27 agreement was the basis for it, and indeed the minister, in speaking on the predecessor of this bill in the last parliament, stated that one of the major reasons for the price of crude oil being increased from $4 to $6.50 was to provide the industry with the extra money which it would require to justify its exploration and development.

At that stage I thought, aha, at last the minister recognizes that there must be some incentive or else people will not explore and develop. Exactly one month to the day later, his colleague, the Minister of Finance, came in with a budget which confiscated that extra revenue.

If the minister will state frankly and make a personal commitment right here and now that he, as the minister responsible for the energy industries in Canada, will give his word that he will ensure that this industry is allowed to retain a sufficient proportion of the petroleum dollar to allow it to proceed with the type of exploration and development we, as a nation, need to remain self-sufficient, that would go a long way. If he makes that commitment and later, in the back halls or wherever decisions are made, he is forced again to swallow his words, or his colleague, the Minister of Finance takes action that would make this minister's words meaningless, perhaps he will have the honour, displayed in the past, to submit his resignation.

There was a time when I was taught in school that it was part of the British democratic system that when a minister gave his word, you could depend on it because, if he could not keep it, honour dictated that he resign. Little did I know. I will have to find that teacher and tell him that he has not met Donald Macdonald.

There is one point that I would like to make regarding gas price controls, a subject which has not been discussed to any great degree. The minister indicated that he feels it will be necessary to control gas prices up to commodity value. I hope that everybody heard him say "up to commodity value" because, based on past experience, we can expect some pronouncements in the not too distant future regarding the meaning of commodity value, a meaning which might be totally remote from any realistic meaning. Although it may not do any good, let me remind the minister that that would be another broken commitment.

I think it is worth mentioning that the price of natural gas in Canada has never been at commodity level. It has always been underpriced. Tragically this has resulted in waste, and this is probably the best view fit. In terms of its potential for producing fertilizers, chemicals and other higher value added commodities, it is a tragedy to be wasting this fuel in generating electricity and in other ways.

It is certainly high time that we brought this valuable fuel up to commodity value so that this wastage can cease. I think it bears mentioning—although that probably will not have any influence on the government—that the only thing that is preventing natural gas from seeking its fair value, its commodity value on the market, is the fact that we have a monopoly purchasing situation. You can remove that monopoly, that bottleneck, from the entire market if you require TransCanada Pipe Lines to be a common carrier. If you take that simple action the market place will establish the true and fair level of gas prices. We do not need a hired bunch of experts. We do not need big brother interfering in industry and other aspects of life. What we need is that simple action.

● (2120)

I am sure the minister is aware of my ideas, and I am sure they run counter to his philosophy. Only occasionally does he feel it necessary to genuflect to the principle of free enterprise. The rest of the time he seems bent on doing what he can to destroy free enterprise in the oil and gas industries.

Before sitting down, let me echo something the hon. member for Crowfoot said. I am truly saddened to see that the minister responsible for our security of energy supplies has brought forward this bill which, according to its stated purposes, is designed to protect the consumer from the vagaries of supply. Yet the minister shows no apparent concern about decreasing exploration and development activity in Canada. Without such activity this country will become a net importer of energy in a few years. Instead of being concerned about this, the minister seems bent on winning the battle with the provincial governments. I say that a minister with priorities so distorted should seek another portfolio.

Mr. Stanfield: Mr. Chairman, I want to spend a few minutes discussing this bill calmly and quietly, in the way the minister does. It seems to me that several important questions of principle are involved in the bill we are discussing. One, of course, is the constitutional question, the question of the relationships between the federal government and the provinces in the control and development of our natural resources.

The least that can be said is that we are witnessing a two-pronged power play on the part of the federal government which is seeking to take effective control of the

commerce in the natural resources of this country. If that is what the Canadian people want, fine. I do not intend to be inflammatory, but am amazed that members from Quebec can sit back and watch what is going on, because it seems to me that this process is fundamentally opposed to everything I ever thought the government of Quebec and the people of Quebec believed in, Mr. Chairman. I think they still believe in those things. As I say, we are witnessing, in this bill, one prong of that attack. The other prong was the budget of last May. Presumably we shall see it again in the budget which will be brought down on Monday night. We shall see the government using its fiscal power to supplement the efforts the minister has made under this bill.

What is happening should be clearly understood by the House and by the people of the country. If this is what they want to happen, fine. I happen to feel strongly that this is not how it was contemplated the country would be governed. Here we are seeing confrontation, a federal government policy which attempts to overwhelm and beat down the provinces instead of working things out through consultation. The government deserved a fair amount of commendation last spring for working out a price agreement. I favoured the agreement for one price across the country; I still do. I advocated it.

An hon. Member: Conservatives were in favour of price controls.

Mr. Stanfield: Here we are dealing with a question of principle, and that question is not at issue in connection with this bill. I thought the government was entitled to commendation for negotiating that agreement. I thought the provinces concerned were, too. I must say that I feel the government of Canada ought to have been charged with bad faith immediately after that negotiation because it changed very substantially the ground rules governing the fiscal aspects. I do not think it is going too far to say that the government of Canada behaved dishonestly toward the petroleum producing provinces. The government negotiated the agreement on certain terms, but very shortly afterwards changed the rules.

What we are now witnessing is a very powerful, very determined attempt by the government of Canada to take full control of natural resource development in the country. This is to be done through this bill, which is to be supplemented and complemented by the government's fiscal thrust, as witnessed in the budget of last May, and as we shall presumably see renewed.

The concept of relations with the provinces, the concept of the country, the concept of our constitution and the concept of our confederation—all this is being substantially challenged. We should recognize what is taking place, what is being proposed and what the government is attempting to accomplish.

Second, I am greatly concerned about future supplies of energy in this country. I will not talk in terms of corporate profits or corporate returns, although one could. I do not say that is an invalid approach. I am not suggesting that. Rather, I want to concentrate on the issue of future supplies of gas and petroleum, and of energy in general. When this subject is raised with the minister he usually resorts—I think this is the fair way to put it—to demagoguery.

An hon. Member: That is putting it kindly.

Mr. Stanfield: I intend to discuss this question in calm terms. When he is asked questions on this topic he says, "The consumer should come first." Although he said in the committee, tonight, that he felt he would never satisfy the hon. member for Calgary Centre on this issue, he has not given us any answers. Although we are discussing this bill, I do not think he has faced the fact that one cannot help but notice, no matter from what part of Canada one comes, the decline in the rate of exploration in many parts of the country, including the western provinces. I cannot help but be concerned about what this means for the consumers of the future. Yet the minister seems to think that this is not really important. That is the impression I got.

We do not have the findings of the National Energy Board about inventory. The minister does not seem to think it important for us to have this information. I hope he will understand that those of us who are concerned about what is going on, who are concerned about our future energy supplies, are most concerned about what the NEB report may show. We are very uneasy about being compelled to consider this bill in the absence of that information.

● (2130)

Can the minister reassure us by pointing out there is no need for us to be concerned about future supplies of energy in this country, and not simply saying it goes up and down, or that the North Sea is attractive now so people are moving out of Canada? He must know that is only one factor in what is happening. It is only one factor in the decline of exploration in Canada.

The minister must be aware that there is tremendous inequity in the industry. It is not entirely due to his administration and the attitude of the government toward the energy problems of this country. However, it is substantially due to concern about the attitude of the government and of this minister in particular.

When asked a question, the minister does not deal with it. He skirts all around it. He resorts to demagoguery. He will attack me, as he always does, and say I am not very forthcoming. He can do that if he likes, but that is still not answering the question.

The minister is not facing up to the need in this country for the development of future energy supplies. If he wants to say that uncertainty in the industry about his intentions is not important because his government is going to resort to reliance upon governmental activity, PetroCan, we will know where he stands. We will know how to judge him. However, I plead with the minister not to treat us as having so little intelligence as to be satisfied with the kind of answer, "Well, it is the consumer who comes first." Naturally, the consumer comes first in the sense that consumers are Canadians, but it is not just the consumers of 1974 and 1975 who are of concern. We have responsibility to the consumers of 1980 and 1985.

Some hon. Members: Hear, hear!

Mr. Stanfield: The minister may have perfectly satisfactory answers. He may be able to reassure me and others in the House on this question. However, I think it is fair to say he has not done so yet.

There is a great question of principle involved in this bill as to whether this is the direction we want this country to go, with this government developing this two-pronged massive assault on provincial control and development of natural resources. Canadians should realize what is happening.

The minister should be prepared to recognize that our concern about future supplies of energy in this country are genuine and justified in light of what we see happening. It is our belief that much of what has been happening is due to the attitude this minister and his government have been taking. We are concerned that the passage of this bill will intensify the deterioration in our energy outlook. I ask the minister to believe that that is genuine concern. I should not have to emphasize that. It is obvious. What is going on now is alarming. It is alarming to anyone who is prepared to look ahead 10 years or so.

Will the minister honestly face up to these questions in this committee and, if he can, give us that assurance? Otherwise it will be very difficult for us to support this bill.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Mr. Chairman, to pin down the Leader of the Opposition on his intervention, I think the significant point is that we are now getting to where it will be difficult for his party to support the bill. It is not unfair to go through the essentials of this bill and see to what extent the remarks he just made bear relevance to the proposition put forward in the bill.

An hon. Member: Evading again.

Mr. Macdonald (Rosedale): Yes, debating again. This is debate.

An hon. Member: You have had wax in your ears for a couple of years. It is evasion.

Mr. Macdonald (Rosedale): If the loud mouthed member for Rocky Mountain wants to shout, that is fine. I listened to his leader. I think his leader might be a fair man and might be prepared to hear what I have to say.

Mr. Stanfield: I am happy to listen.

Mr. Macdonald (Rosedale): Taking the Leader of the Opposition's analysis apart, the critical question was: how are the measures put forward here going to prejudice the future supplies of energy to Canadians? What is more, are there measures in this bill which, if taken out, would satisfy the opposition in terms of ensuring future energy supplies for Canadians? I suggest that if anybody has been evading this, it is the Leader of the Opposition.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): While the bill has some complex legal terminology, it is relatively simple. It is divided into a number of parts. The bill provides for compensation for eastern Canada in relation to oil imports that may be brought into that part of the country so as to keep the price down to the current Canadian price level, which is related to the gathering price of oil at $6.70. Would taking that part of the bill out make it any more certain there would be oil supplies for Canadians? I suggest it would not. The Leader of the Opposition chose to refer to it as demagoguery, but it is a fact that Canadians in the eastern part of the country would have to pay more for offshore oil. We would be no more certain of having oil in this country by paying $11 a barrel to foreign producers than by paying $6.70 now.

Look at the part with regard to how the fund is paid for, the provision with regard to collection of the export charge. Would Canadians be better off if that export charge were not used in that way? Would they be better off paying through the general taxation system for that cushion in the eastern part of the country? I suggest to the Leader of the Opposition they would not.

Dealing with the setting of the domestic price for oil, we will want to look hard at the remark by the Leader of the Opposition and compare it with some of the other remarks made by hon. members on that side. The Leader of the Opposition said he accepts maintaining the lower price, but does maintaining the lower price for Canada—

Mr. Stanfield: I said the one price and the lower price.

Mr. Macdonald (Rosedale): The Leader of the Opposition says the one price and the lower price. All right. The part of this bill with regard to a one price and lower price which the Leader of the Opposition says he accepts—does that make it any less certain there will be oil supplies for the future?

Mr. Stanfield: Is the minister asking me a question? What makes the future uncertain is the fact that the federal government is taking unto itself authority to set the price without reference to anybody else, without any reference to or negotiation with the provinces.

● (2140)

Mr. Blais: That is not so.

Mr. Macdonald (Rosedale): All I can say to the Leader of the Opposition is that though he has made an interesting statement up to this point, he has clearly not read the bill. The first part of the bill, to which I have referred, contains substantial provision for just that kind of agreement and negotiation. The Leader of the Opposition argues that prices should be set by negotiation. But what if negotiation fails and a producing province insists on going to world prices? Is a single province, then, to exercise a veto over the Canadian market?

An. hon. Member: Right!

Mr. Macdonald (Rosedale): An hon. member from Alberta at the back says "right!" That is really the essence of the matter. There is to be this veto power. That is the essence of the difference between members of the Official Opposition and ourselves.

We hold that if responsibility is to be taken for the development of a national market it should ultimately be taken by the federal government.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): I suggest the same applies with respect to natural gas, so if there is failure to arrive at an agreement, provision is needed for the final decision to be made by the national government with regard to the pricing of gas.

I have gone over all the major parts of the bill. I have demonstrated that none of them would make any difference to the prospects for the future supply of oil in Canada.

Mr. Horner: You have never demonstrated that.

Mr. Macdonald (Rosedale): There may be arguments which the hon. gentleman would like to put forward in the course of a budget debate. There have been indications this afternoon that hon. members opposite may be waiting for the budget debate. Well, that is fair, I think, from their standpoint. But I say the provisions we have made in this bill to establish an appropriate price for oil and gas in all parts of Canada are provisions which the government feels should be enacted on behalf of Canadians generally, and having heard the hon. gentleman's statement we are more than ever left in doubt as to whether or not he has really taken any position at all with regard to the kind of oil policy which should be followed in this country.

Mr. Stanfield: I intend to be brief, Mr. Chairman, because I do not think it is very profitable to discuss this matter with the minister. One does not get anywhere.

Mr. Cullen: Not when you are wrong.

Mr. Stanfield: Hon. gentlemen opposite can view this as just a lot of political hoo-ha if they like, but there are some basic questions involved here. The minister has made it very clear which way he is going—he did not need to tell me because I know it. He is taking the position that this is ultimately the responsibility of the federal government. He confirms what I have said on a number of occasions. He puts it in terms of "taking the final responsibility". I put it in terms of taking full control over the resources of the country.

Mr. Macdonald (Rosedale): That is a gross exaggeration.

Mr. Stanfield: The minister says that is a gross exaggeration. I do not believe it is, Mr. Chairman. In terms of present policy I say it has not yet been demonstrated that there is a need in this country to resort to the dominating centralist position which this measure proposes. The government has succeeded in reaching an agreement with the provinces in connection with price and, as far as I know, there is no reason to believe it cannot do so in the future I might say, though, that it will be more difficult next time because the provinces feel they were cheated subsequently by the government.

An hon. Member: Which provinces?

[Mr. Macdonald (Rosedale).]

Mr. Stanfield: The producing provinces, because of the change in the ground rules affecting tax. The minister completely ignored my concern about future energy supplies. He tried to pretend that the bill has nothing to do with future supplies of energy or the difficulty the country is now experiencing in moving forward in this area. He evaded that whole issue. One important factor in determining the outlook for energy will be the dominant position in which the bill before us purports to place the federal government.

The minister expressed no concern about future energy supplies. He did not respond to my invitation to tell us what he thinks will happen to arrest the deterioration in present prospects. If he wants to content himself by repeating that I have nothing to contribute, that's O.K. But that is not the point, in any event—although if I wanted to take the time of the committee I could probably show that I have contributed far more in the way of constructive energy policy as Leader of the Opposition than he has.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): What modesty!

Mr. Stanfield: That is not the point. The point, as it relates to the bill before us, is not what I might be putting forward. The point is, what the minister is putting forward. I resume my seat saying, simply, that we are seeing in this bill something I had never thought I would see Quebec members quietly accept, that is, the spectacle of the central government assuming a completely dominant position with regard to natural resource development in Canada through the control of prices, and, second, a Minister of Energy who totally ignores genuine concern about deterioration in the energy outlook in the country and who refuses, apparently, to give us any indication as to how the energy outlook is likely to be improved.

Mr. Macdonald (Rosedale): The remarks of the Leader of the Opposition were hardly a demonstration of humility on his part. Probably what he had to say can be taken as seriously as that. We are dealing with a bill to meet the energy crisis in Canada. Let me make the point very briefly which I made previously in the course of debate on the bill. The Leader of the Opposition has asserted that the bill will make supplies of energy less available in Canada. I have pointed out seriatim, part by part, how there is absolutely no foundation for that suggestion.

● (2150)

Mr. Ellis: Mr. Chairman, I have been sitting in this House now for a few hours listening to this debate. I am going to make a few brief remarks and then ask a simple question, to which, I frankly doubt, I will get a simple answer. As my colleagues have discovered, there do not seem to be any answers forthcoming. I am not going to duplicate many of the points the Leader of the Opposition made far better than I could regarding the constitutional difficulties concerning this particular piece of legislation.

As a member from Ontario I have asked questions in the House and expressed concern regarding transportation in my province. I have pointed out on different occasions errors that have been made to the tune of hundreds of

millions of dollars in the public works estimates, and I have asked questions about unemployment insurance involving expenditure of almost $1 billion. However, last winter many of my constituents, including myself, began to become concerned about a shortage of fuel. At that time we were told, after talking to some of our colleagues from Alberta as well as provincial officials, that they are Canadians first and that, as far as they were able, they were not going to see Canada short of energy.

It then became obvious that to fulfil this promise a pipe line was necessary. It was also obvious that the pipe line which, for want of a better word, had been imposed upon this country by the right hon. gentleman from Prince Albert a few years previously was indeed one of the smartest moves this country had ever seen.

It is a fact, of course, that we in Ontario have for a number of years been paying a premium on our oil. That is fair enough; we have paid premiums before. Then we started hearing talk about this pipe line which was necessary to carry oil further east, and we also heard some nonsense about having a two-way pipe line. Now, Mr. Chairman, any huckleberry from Ontario knows that you cannot suck and blow at the same time; it does not take much expertise to find that out. So we are concerned anew with the energy situation.

We are now faced with Bill C-32. Despite the government's obvious dislike for price fixing or price controls, and with the government's heavy accentuation on combines legislation, we now find out that a price is going to be forced on the province of Alberta if negotiations do not meet with success. We do not know what the price is, but a price will be forced upon that province.

It seems to me that this is a particularly large club. If that club were being used against the province of Ontario in connection with its nickel, or its uranium, or other products of a similar nature, the minister would have a bigger fight on his hands than he has right now.

I listened to the speech of the hon. member for Crowfoot. I think it is fair to say that one thing that the hon. member for Crowfoot and I have in common is that we rarely agree on things. But I think that anyone who misjudges his intelligence on a subject like this, and that of his many colleagues, makes a very real mistake.

I must admit that the longer I sit here the more concerned I become. Indeed, I am also a little confused. My colleagues from Alberta used terminology and referred to quantities that are a wee bit beyond my ken, perhaps; but the single thought comes through that there is something wrong with this legislation. There is something here that does not sit well with Canadians, and I remind the committee that these members from Alberta are Canadians.

To take this a step further, during the question period my next door neighbour and the hon. member for Prince Edward-Hastings often ask questions about the level of production in Canada compared with the level of production throughout the world, and the fact that Canada's balance of payments is getting into a bit of trouble. If there is less exploration of our resources and we are not able to export some of our products, what is going to happen to our balance of payments? Where will we get the money to pay the tariff on incoming oil, so as to guarantee a single price, if we do not export?

I am sure that the calm, reasoned and logical approach of the Leader of the Opposition, when put up against the hon. "flim-flam" man from Toronto and some of the things he said this evening, is going to appeal to the people of Canada. Certainly I have not heard the minister give us any answers this evening.

I have one question I want to ask, and it is a very simple one. Will the minister tell me categorically that this legislation is going to enable more oil to be found, that it will enable Canadians, and specifically the people in Hastings riding, to get a sufficient supply of oil? I can stand a little bit of cold, but young people are growing up in Hastings county and I should like them to have oil for the future. I am not sure that we have had any answers to this particular question. I guess I should call it ten o'clock, Mr. Chairman.

The Chairman: Order, please. It being ten o'clock it is my duty to rise, report progress, and ask leave to sit again at the next sitting of the House.

Progress reported.

Mr. Baker (Grenville-Carleton): Mr. Speaker, on a point of order, before the minister leaves could he let us know if it is his intention to deal with this matter on Monday and Tuesday next?

Mr. Macdonald (Rosedale): Mr. Speaker, the House leader has indicated, as a result of discussions with the hon. member, I take it, or with others, that there was no prospect of making progress with this bill, so I think he listed other business for Monday.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

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

CONSUMER AFFAIRS—INCREASE IN PRICE OF PERSONAL HEALTH CARE PRODUCTS—SUGGESTED INVESTIGATION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, in following up questions I asked the then minister of consumer and corporate affairs in the last session of parliament I asked the present minister on November 5 whether he has directed an investigation under the Combines Investigation Act into the unwarranted increases in the cost of personal health care products.

It is my contention that the ripoff cliché could not be better applied to unwarranted profits than in the field of most personal health care products. It is obvious that despite all the time and investigation by responsible authorities we cannot seem to find solutions to control the cost of food, but certainly there are many commodities used in the home which are increasing in price almost as

fast as foods, along with clothing and housing. I refer particularly to costs of personal health care products which take up a goodly portion of the family budget, and which could be controlled by responsible and reasonable government legislation.

Surely we can see just how much money is being wasted by housewives as a result of advertising hucksterism used by advertising agencies and most cosmetic firms. Surely we could show the consumers the waste, and thereby save them many millions of dollars in their budgets, which would leave them more dollars to acquire the essential foods they need for their families.

Not only are the consumers the victims of cosmetic hucksterism, being ripped off, they are using products which might even be injurious to their health, or which are indeed of little or no use.

I was pleased to note that after the many references I have made to the subject over the past two or three years, but to no avail, the CTV program "Inquiry" exposed the matter recently on television, for which it should be commended. It revealed the phoniness which exists because of artificial freedom of enterprise.

Apart from the fact that the television program revealed that some half a billion dollars is being spent for personal care products, and most of that money is being wasted as a result of saturation advertising, and that a product costing a few cents can be sold for many dollars, depending on the name and the advertising clout of the firm promoting the product, this situation still exists.

I took it upon myself last year to purchase two cans of hairspray, one at a cost of 98 cents and another at a cost of about $3. I sent them to the Food and Drug Directorate for analysis, and I should like to read you the results in part:

> The limited analysis available so far suggests that the majority of the spray (97 to 99 per cent) is made up of propellants and solvents . . . with other lubricating, perfuming, and coating agents making up the balance. The products are similar in composition, though the amounts of individual ingredients will naturally vary somewhat.

The details could not be provided because it was given on a confidential basis for branch use only.

A similar situation exists, I am sure, in respect of most other cosmetic products, and I mention anti-perspirants, hairdressings, nail polishes, lipsticks, mascara, creams and lotions. In this regard I would refer you to the "Consumer Contact" report of September, 1974, and I quote:

> Cosmetics in Canada are required by federal law, under The Food and Drugs Act, to be free of injurious substances, to be packaged in safe and non-deceptive containers and produced under sanitary conditions.

Later in the same report it states:

> Rare or precious ingredients are seldom, if ever, included in cosmetic formulas and there is no need to pay a high price to obtain an effective product for any cosmetic use.

For example, the report states:

> Deodorants are designed to eliminate the odour of perspiration without checking its flow. Use of mild soap and water has always been effective. Prolonged and repeated use of aerosol underarm deodorants, if they are inhaled, may have adverse effects in the lungs, while feminine hygiene sprays may cause some local irritation.

[Mr. Marshall.]

The report further states:

> The skin is nourished by normal food consumption and not by externally applied creams, lotions, or other substances.
>
> Hair cannot be restored to bald heads by application of salves, ointments, and other preparations applied externally, nor by shampoos, manipulation and various mechanical devices.

In another area the report states:

> Dandruff is readily removed by washing the hair and scalp with any good shampoo. Indiscriminate use of medicated products may result in severe skin reactions.
>
> Reduction of excess weight can be achieved safely and effectively only by a proper diet, a decrease in the amount of food eaten, and to some extent, by a good deal of exercise. There are no solutions, preparations, or devices applied externally, or pills taken internally that can truthfully claim to have a slimming effect without an accompanying reduction of food intake on a low calorie diet.
>
> Lipstick of the long-lasting indelible type is a frequent cause of irritation. There are, however, a number of lipsticks that do not contain the bromoacid dyes which are usually the chief offenders. Look for what are called 'Hypo-allergenic' brands.
>
> Organic or 'natural' cosmetics have become quite fashionable, but they have no special values.
>
> The most common sources of allergic problems are perfumes, antiperspirants and deodorants, dyes, chemical depilatories, nail lacquer and other nail preparations, indelible lipsticks and sunscreen preparations.
>
> Good looks are derived from good health. Cultivate it by eating wisely, keeping regular hours, avoiding excess use of liquor, soft drinks, and other sweets.

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

Mr. Norman A. Cafik (Parliamentary Secretary to the Minister of Consumer and Corporate Affairs): Mr. Speaker, the hon. member has raised a number of points in his remarks tonight. He referred to such things as possible misleading advertising. If that is in fact the case and he has evidence, the Department of Consumer and Corporate Affairs would be interested in obtaining such evidence so that it would be able to take appropriate action.

Further, there has been mention made of possible health hazards in respect of such products as cosmetics and other things to which the hon. member referred. This is not part of the responsibility of our department, but I am sure the Department of National Health and Welfare would be very interested in any evidence the hon. member may have in respect of real health hazards for Canadians.

The hon. member referred to an information program which appeared last weekend on CTV in respect of cosmetics and their usefulness or lack of it. I think that kind of approach is very worthwhile in terms of informing the Canadian people as to the merits or demerits of products or lines of products in the cosmetic field.

I would compliment the CTV and others who provide this kind of public information to the people of Canada. I must admit I do not really have the view that the people of Canada are so naive as not to be able to recognize the quality of many of these products but because of simple cosmetic vanity are inclined to use them.

The hon. member asked whether the minister was proceeding with an investigation under the Combines Investigation Act. As the hon. member realizes, such investigation must be carried on on a confidential basis. Therefore the minister is not in a position either to confirm or deny

that such an investigation is taking place. However, if the hon. member, or any other hon. member or members of the public generally, feel that there is justification for charges to be laid under the Combines Investigation Act, they can rest assured that the Department of Consumer and Corporate Affairs will take appropriate action on the basis of any valid evidence submitted.

● (2210)

CONSUMER AFFAIRS—PRICE OF ANTI-FREEZE—REASON FOR INCREASED MARKUP AND POSSIBILITY OF PROFITEERING

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, on November 13 I asked the Minister of Consumer and Corporate Affairs (Mr. Ouellet) whether he found any evidence of profiteering in the anti-freeze industry in Canada, and his reply was no. I wonder how the minister can be so complacent in the light of the present situation.

Today anti-freeze is selling at 100 per cent more than a year ago, and in some cases even higher than that. In 1973 a consumer could buy a gallon of anti-freeze for $2.40. In 1974 prices range between $6.88 a gallon and $12 a gallon. Indeed, in my constituency of Sault Ste. Marie at the retail level the price of anti-freeze varies from distributor to distributor. At Canadian Tire the price is $6.88 a gallon; at Western Tire, it is $7.98; at Esso, $8.00; at Fina, $8.95; at Gulf, $9; at Texaco, $9.50, at Supertest, $9.95; at Sunoco, $10; at Shell, $10.95; There are variations among service station operators, some charging as high as $12 a gallon.

What, I ask, are retailers paying to the wholesalers for their supplies? Figures I have obtained from a co-operative store in Oshawa indicate the following: in 1972 the retailer purchased anti-freeze from the distributor at an average price of $2.25 a gallon; in 1973, the average price was $2.65 a gallon; but in 1974 the price varies from $6.15 a gallon to $9.75 a gallon that the corner gas station must pay to the wholesaler.

Why is there this tremendous mark-up? The minister says it is because the cost of the raw material, ethylene glycol, has gone up due to shortages. True, the cost has gone up somewhat, and we should try to determine whether they are real shortages or not, sufficient to justify anti-freeze selling at $9 to $12. In 1972 ethylene glycol was imported at 73 cents a gallon; in 1973 it was imported at $1.08 a gallon and in 1974 at $3.35 a gallon. I have found out that in 1972 the mark-up was roughly $1.50 a gallon over the import price, but today the mark-up is from $4 to $6 over the import price.

How does the minister justify a $6 mark-up over the basic import price of ethylene glycol? He cannot. The evidence is that the middleman and the manufacturer have conspired to raise prices unjustfiably. I charge that the Canadian manufacturers of anti-freeze have deliberately avoided increasing their production capacity at a time of rising demand, thereby creating an artificial scarcity of ethylene. Coupled with this, they spread rumours of a scarcity of anti-freeze, which resulted in consumer panic buying which allowed companies to raise prices and to keep them high.

I should like to quote from the Toronto *Star* of October 30. An anti-freeze retailer, a gas station operator says:

"It's all just one big ripoff," charges Walker who claims this year's anti-freeze shortage is as "phony" as last year's energy crisis.

"We are being dictated to by these companies that are bigger than government," he continued.

Pointing out that he bought bulk anti-freeze last year at $1.95 a gallon, Walker claims suppliers and manufacturers today are making exorbitant profits while the service station operators are being "crucified".

We know that there is no scarcity but we are still confronted with anti-freeze ranging from $7 to $12 per gallon.

In view of the facts I have outlined, and in view of an inquiry launched by the Minister of Financial Institutions in Quebec, which also concludes that an artificial scarcity was created, will the minister launch an investigation under the terms of the Combines Investigation Act, to prohibit such blatant profiteering by anti-freeze producers in this country? Will the minister act to protect consumers?

Mr. Norman A. Cafik (Parliamentary Secretary to the Minister of Consumer and Corporate Affairs): Mr. Speaker, the hon. member for Sault Ste. Marie (Mr. Symes) has built up an impressive case to show the extent of the increase in price of anti-freeze in this country. He did a good job in demonstrating differentials in prices across this country. Department of Consumer and Corporate Affairs investigations confirm, without specifying particular instances, that the substance of the hon. member's information is correct. In our investigations last week we found that a gallon of anti-freeze in the Toronto area sold for as little as $5.80 a gallon and for as much as $12 a gallon. Clearly the price differential is large.

When the department is asked how it justifies such increases, the answer is that we, in the department, do not justify them. We do not say that we feel they are justified. The simple fact is that we lack the legislative base for dealing with what may be termed profiteering. An anti-profiteering bill was introduced in the last parliament but was not passed. The election intervened. Another similar bill will be introduced in the present session of parliament and will deal with that question.

Touching on the Combines Investigation Act and evidence of violations under that act taking place, let me say that this is a matter of judgment. As I said in responding to the question immediately prior to this one, the department is not in a position to comment whether it is presently engaged in investigations under the act or whether it plans to become so engaged. As I said before, if any Canadian obtains evidence of price fixing, or of collusion in the market place which violates the spirit and content of the Combines Investigation Act, members of this House and of the general public can be assured that the Department of Consumer and Corporate Affairs will take appropriate action to see that Canadians are protected by laws under which we work and which have been passed by parliament.

HEALTH—PHARMACISTS' STRIKE IN QUEBEC—GOVERNMENT POSITION

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, in my question to the Minister of National Health and Welfare (Mr.

Lalonde) today I assumed that the minister had been informed of a shutdown last week of most Quebec pharmacies. They were showing support for a proposed bylaw which could drive discount drugstores out of business. It was against this background that the minister introduced Bill S-9 which, incidentally, passed Senate third reading yesterday.

Let me state at once that my question suggesting the revision or withdrawal of Bill S-9 is in no way a criticism of the principal intent of the bill. Putting quantitative ingredient information on the label is desirable. The real concern is the ability to sell products presently registered under the Proprietary or Patent Medicine Act in non-pharmacies in Canada. There is no assurance that non-drug sales will be permitted after repeal of the act. Assurances have been given that the pharmacy acts of the various provinces will be amended to allow proprietary medicines to be sold in stores other than pharmacies. But this assurance may not be fulfilled, and it may be the intent never to fulfill it.

The federal Department of National Health and Welfare has no direct authority over the pharmacy acts of the various provinces. Knowing the concern of the pharmacists about having any medicines sold in non-pharmacy outlets, the provinces may be reluctant to pass the enabling legislation.

The discount store has had a major influence on proprietary medicine prices. The consumer interest in this vital matter must be recognized, not only as it affects the price which the consumer must pay but also in the ready accessibility which is afforded by the freer sale of any product.

The consumer must be able to obtain full information concerning the use of his medicine, and the public must have a free choice to pay the lowest possible price.

● (2220)

It is my firm belief that the federal government has the duty and responsibility to exercise to the full its powers and authority in the interests of the Canadian people as a whole. That is why I questioned the minister's answer today. I again ask him how he can reconcile the undoubtedly good primary thrust of Bill S-9 and its unfortunate possible future implications for the consumer?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I congratulate the hon. member for Vaudreuil (Mr. Herbert) for his interest in this particular subject and his well-known concern for the interests of consumers. It is a concern which is shared by most members of this House, expecially as it deals with the price of drugs to Canadian citizens. He mentioned the great advantages that had resulted to consumers from discount drugstores in some provinces. His worry that they may disappear is certainly well understood.

I wish to stress that the question of legislation authorizing such drug sales is a matter which comes under the responsibility of the provinces at the present time. It will remain under the responsibility of the provinces after passage of Bill S-9, if the House decides to approve that bill.

I have had several contacts and communications with my provincial colleagues over the past year in connection with this bill, particularly at the federal-provincial conference of health ministers in February, 1974. My colleagues unanimously agreed that we could repeal the PPM Act and substitute another bill which would provide for greater disclosure than exists at the present time.

There was a meeting on October 3, 1974, of the Registrars of Pharmacy of the various provinces. Particular consideration was given to the changes that would be required in provincial pharmacy legislation to accommodate the repeal of the PPM Act. I might point out to the hon. member that a resolution was passed unanimously at that meeting supporting the actions taken by the Health Protection Branch in the matter of repeal of the PPM Act.

During the discussions it was agreed that there was adequate time to effect the changes required in provincial legislation since they were considered to be minimal. In general, present provincial legislation allows for the sale of proprietary medicines in non-pharmacy outlets by referring to products registered under the PPM Act. It is anticipated that the major change required will be to refer to the new regulations concerning proprietary medicines under the Food and Drugs Act.

Bill S-9 provides that the bill will come into effect in July 1976. That allows a year and a half to ensure transition. There should be no reason why any province has not passed the necessary legislation in the meantime. I might point out that provision will be made for progressive implementation of the act in the interim period.

Motion agreed to and the House adjourned at 10:25 p.m.

HOUSE OF COMMONS

Friday, November 15, 1974

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

TABLING OF SECOND REPORT OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the second report of the Clerk of Petitions.

Miss MacDonald (Kingston and the Islands): I rise on a point of order, Mr. Speaker. Bearing in mind the importance of the statement made this morning that a settlement of the land claims of the native people of James Bay had been reached involving expenditures, programs and constitutional commitments by the federal government, I would like to ask whether it is the intention of the Prime Minister or one of his colleagues to make a statement on motions outlining the terms of this settlement in order that the House may be informed of the precise nature of the federal commitment.

Mr. Speaker: I am not sure that the Prime Minister or anybody else for that matter can be asked a question by an hon. member speaking on a point of order. Perhaps it may be regarded as a request that the Prime Minister make a statement on motions.

* * *

NATIONAL DEFENCE ACT

AMENDMENT TO GUARANTEE EQUALITY OF STATUS OF FEMALES WHO WISH TO SERVE IN CADET CORPS

Mr. Ron Huntington (Capilano) moved to introduce Bill C-363, to amend the National Defence Act.

Some hon. Members: Explain.

Mr. Huntington: The purpose of this bill is to guarantee the equality of status of young females who may wish to serve in cadet organizations controlled and supervised by the Canadian forces. Over the Armistice weekend a great deal of interest was expressed to me by parents in my riding and in the Vancouver area concerning this bill. In addition, I have received letters from my constituents pertaining to it.

Motion agreed to, bill read the first time and ordered to be printed.

● (1110)

SUPREME COURT ACT

AMENDMENTS RESPECTING RESIDENCY REQUIREMENTS FOR JUDGES AND APPEAL RIGHTS

Hon. John N. Turner (for the Minister of Justice) moved the first reading of Bill S-2, (from the Senate) to amend the Supreme Court Act and to make related amendments to the Federal Court Act.

Motion agreed to and bill read the first time.

* * *

STATUTE REVISION ACT

MEASURE TO PROVIDE FOR REVISION AND CONSOLIDATION OF STATUTES AND REGULATIONS

Hon. John N. Turner (for the Minister of Justice) moved the first reading of Bill S-3, (from the Senate) to provide for a continuing revision and consolidation of the statutes and regulations of Canada.

Motion agreed to and bill read the first time.

* * *

[*Translation*]

PROPRIETARY OR PATENT MEDICINE AND TRADE MARKS ACTS

MEASURE TO REPEAL THE PROPRIETARY OR PATENT MEDICINE ACT AND AMEND TRADE MARKS ACT

Hon. Marc Lalonde (Minister of National Health and Welfare) moved for leave to introduce Bill S-9, (from the Senate) to repeal the Proprietary or Patent Medicine Act and to amend the Trade Marks Act.

Motion agreed to, bill read the first time and ordered to be printed.

ORAL QUESTION PERIOD

[*English*]

CONFLICT OF INTEREST

KNOWLEDGE OF PRIME MINISTER OF TRAVEL ARRANGEMENTS OF MINISTER OF NATIONAL HEALTH AND WELFARE FOR TRIP TO ISRAEL

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the right hon. Prime Minister. Yesterday outside the House the Minister of

National Health and Welfare stated that the possibility of a trip to Israel in the Bronfman jet was first raised in a discussion between himself and Mr. Bronfman. In view of this possibility of accompanying Mr. Bronfman to Israel, the health minister then turned to the Israeli ambassador and asked whether it would be convenient for the minister to visit Israel officially in such circumstances. The minister added that he had asked the Israeli ambassador to make the necessary formal travel and business arrangements if, in fact such a visit were convenient.

I should like to ask the Prime Minister whether he was aware of all those circumstances when he stated in this House on November 5, as reported at page 1053 of *Hansard*:

I was aware, of course, that the minister had been invited to Israel by the Israeli government and that the Israeli ambassador had arranged transportation on this particular aircraft.

The Prime Minister thereby gave the impression that the Minister of National Health and Welfare was simply going to Israel in a way arranged by the Israeli government. When the Prime Minister made that statement in the House, was he aware of the circumstances that the minister disclosed outside the House yesterday as to what actually took place?

Right Hon. P. E. Trudeau (Prime Minister): Not the details of them, Mr. Speaker, but I was aware of what I told the House, that the arrangements were made by the Israeli ambassador. I was not aware of the exact timing as to when the matter had actually been raised.

Mr. Stanfield: A supplementary question, Mr. Speaker. Was the Prime Minister aware of the fact that arrangements had been made between the minister of health and Mr. Bronfman, as disclosed by the minister outside the House yesterday, and that the Minister of National Health and Welfare had asked the Israeli ambassador to make arrangements for the trip on that basis?

Mr. Trudeau: Mr. Speaker, I do not know what the minister said yesterday outside the House. My understanding of the facts is not that the minister asked the Israeli ambassador to make the arrangements, but that at a meeting between them the offer of an aircraft was made and that the minister suggested to the ambassador that he make the arrangements for the trip.

Mr. Speaker: The Leader of the Opposition may put a final supplementary.

TRAVEL ARRANGEMENTS OF MINISTER OF NATIONAL HEALTH AND WELFARE FOR TRIP TO ISRAEL—REQUEST FOR INVESTIGATION

Hon. Robert L. Stanfield (Leader of the Opposition): The minister of health told this House on November 12, as reported at page 1221:

Mr. Speaker, I wish to assure the hon. member that all the arrangements for my trip to Israel, which was an official visit at the invitation of the government of Israel, were made by the Israeli embassy.

In view of the fact that it now appears that the arrangements were first made by the minister himself with Mr. Bronfman, and that the minister asked the Israeli ambassador to make the arrangements on that basis, I would ask the Prime Minister whether he will personally conduct an investigation, not merely into the question of conflict of interest, but as to whether the minister has been frank and open with the Prime Minister and with the House, and if after the Prime Minister makes that investigation he finds the minister has not been frank with him and with the House will he ask for that minister's resignation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in so far as being frank with the House is concerned, from my reading of yesterday's *Hansard* it is exactly along the lines of what the Leader of the Opposition says the minister was saying outside the House.

Mr. Stanfield: No, it is not.

Mr. Hees: You haven't been reading very well, Pierre.

Mr. Trudeau: Mr. Speaker, I think it might be worthwhile reading what the minister said yesterday, as reported at page 1316 of *Hansard*:

The matter was raised for the first time in the presence of the Israeli ambassador—

He has admitted it was raised in the presence of the Israeli ambassador. He then said:

—and since for several months I have had a standing invitation to go to Israel, I said that if the time were convenient to the Israeli ambassador and the Israeli government, and if this means of transport was convenient I would leave the matter of the arrangements to the Israeli embassy.

Subject to further discussion, I do not see that there is anything there that is in conflict with what the minister said outside the House.

In so far as being frank with me, Mr. Speaker, I can say unequivocably that the minister answered the questions I asked him in this regard. The main point I tried to ascertain was whether the minister had derived any personal benefits of any kind from this trip, and I am satisfied that he did not. I am not saying that there are not some disadvantages, and that is why I referred to the practice which we would be following in the future. In so far as benefits are concerned, the only benefit I can see would be the benefit to the Canadian taxpayer in the sense that the minister did not have to pay for the trip out of public funds.

Mr. Stanfield: Mr. Speaker, I rise on a point of order. I must say that I am shocked by where this all leads. In view of the circumstances that have come out inside and outside the House, and the nature of the discussions that took place between the minister and Mr. Bronfman, I would ask the Prime Minister whether he felt justified in saying what he said in the House on November 5? He now says that the minister was completely frank and that he knew of these circumstances, so I am wondering if he feels he was justified in what he said in the House on that occasion which gave the impression that the Minister of National Health and Welfare was simply going to Israel in a conveyance that had been arranged by the ambassador of Israel, and that was only the polite thing for the minister to do? I think the very least the Prime Minister owes this House is a full explanation of what he said on November 5, and a full explanation also as to the standard of behaviour and frankness that is expected in the House. In view of the statement made by the minister on November

12, and the impression he tried to leave with the House at that time, this has gone far beyond a conflict of interest, although that is a very vital aspect of it.

● (1120)

Mr. Trudeau: Mr. Speaker, I believe the Leader of the Opposition misinterpreted what I said. I did not say that before November 5 I had had these discussions with the minister. Indeed, I could not have had. I had been in France and Belgium and the minister had not returned, so I could not have had this discussion with him. On the contrary, I indicated to the House very frankly that I had not been made aware of the means by which the minister was going to Israel. I had approved his trip but had not discussed the means of transportation.

Mr. Stanfield: You had approved the trip?

Mr. Trudeau: Yes, I approve all trips.

Mr. Stanfield: Had the minister discussed the method of transportation?

Mr. Speaker: Order, please. The matter has been raised by way of a question and two supplementaries, and now under the guise of a point of order a further question has been raised. I certainly do not want to restrict the questioning in any way but I feel we have to keep the matter on track. The right hon. Prime Minister.

Mr. Hees: I have a supplementary—all right; let the Prime Minister go ahead if he has something more to say.

TRAVEL ARRANGEMENTS OF MINISTER OF NATIONAL HEALTH AND WELFARE FOR TRIP TO ISRAEL—SUGGESTED CORRECTION OF PRIME MINISTERS' STATEMENT ON NOVEMBER 5

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I should like to direct a question to the Prime Minister. On November 5 the Prime Minister, in a reply to a question by me stated:

I take it the hon. member knows of no better way of having a minister accept an invitation than by doing it in a way the inviting government proposes.

Would the Prime Minister indicate why, when he learned this was the means of transportation proposed at a meeting between Mr. Bronfman and the Minister of National Health and Welfare, he did not at least attempt to correct the impression he left on November 5 that this was a proposal which originated from the Government of Israel as opposed to something that was acceded to at a later date?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must remind the hon. member as I was telling the Leader of the Opposition that I had approved the trip but I told the House clearly I did not know what means of transportation was envisaged but approved it on the basis that the inviting government usually makes proposals for means of transportation. I would go further and say, had I known it would be by private aircraft I probably would have advised him to take other means.

Mr. Alexander: You were misled.

Mr. Trudeau: I did not discuss the means of transportation with the minister. I learned about it, as other members of the House learned about it, and I indicated that in the future we would not be using that type of transportation. But I must make it quite clear to the Leader of the Opposition and hon. members that I said to the House that I did not know the means of transportation and approved the trip. That is what I said and that is what I repeat.

KNOWLEDGE OF SECRETARY OF STATE FOR EXTERNAL AFFAIRS OF TRAVEL ARRANGEMENTS OF MINISTER OF NATIONAL HEALTH AND WELFARE FOR TRIP TO ISRAEL

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my supplementary question is directed to the Secretary of State for External Affairs. This being an official visit according to the statement of the Minister of National Health and Welfare, was the minister's department consulted about the official visit? Did they make the arrangements for the official visit and if so did they know about the use of the private jet and did they question it?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I knew about the visit. The Miinister of National Health and Welfare and I exchanged correspondence on the visit. But to my recollection, and I am sure my recollection is correct, the mode of transportation was not involved.

Mr. Speaker: The hon. member for Prince Edward-Hastings on a final supplementary.

PROPRIETY OF TRAVEL ARRANGEMENTS OF MINISTER OF NATIONAL HEALTH AND WELFARE FOR TRIP TO ISRAEL

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my supplementary is directed to the Prime Minister. In view of the fact that the Minister of National Health and Welfare recently publicly criticized and lectured one branch of the liquor industry, the brewing industry, on how it should conduct its business—and if it followed his suggestion this could seriously affect its business—does the Prime Minister consider it right and proper that following that the minister should accept a favour from the president of the largest liquor industry in this country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, what the hon. member does not seem to understand is that the minister was not accepting a favour from the liquor industry.

An hon. Member: Of course he was.

Mr. Trudeau: He was being invited by the government with which we have friendly relations, the government of a country to which many other members of this House have travelled, including members of the opposition. He was going by means which had been arranged, obviously with his knowledge, by the Israeli government. I have made it quite clear in the House that this is a practice which I do not encourage ministers to follow, and I am sure that in the future they will not. I have ascertained that the minister has derived no personal advantage, apart

perhaps from travelling with people he knew on the same aircraft, but that certainly could have been derived travelling commercially. Those are the facts as I know them. I am certain that there is no conflict of interest. I agree that there is a question as to whether this is the best way of doing it, and that is why I indicated that that is not the way we should follow in the future. I suppose that in future ministers will consult the Secretary of State for External Affairs and myself on their means of transportation if there is any doubt.

* * *

ROYAL CANADIAN MOUNTED POLICE

REASON FOR SURVEILLANCE OF ROY ATKINSON

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Solicitor General. In view of the fact that he said outside the House yesterday that Roy Atkinson, president of the National Farmers' Union, had been under surveillance at one time by the RCMP, and this has been verified by a journalist who has a statement on tape from the travel agency to that effect, would the minister inform the House at this time of the reasons Mr. Atkinson was under surveillance at one time by the RCMP?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I checked on this matter and I find that the RCMP did check with the Saskatoon travel agency to see if Mr. Atkinson was to travel to Prince Edward Island. At that time there was an interest in his activities, not on the basis of subversion or security but on the basis of information received that the National Farmers' Union were planning to illegally disrupt certain peaceful activities in PEI, such as the Charlottetown Old Home Week.

Some hon. Members: Oh, oh!

Mr. Allmand: The RCMP had been asked to find out if this information was correct and, if so, how many people were travelling from Saskatchewan to participate in these particular illegal activities.

I might say that the National Farmers' Union had previously been involved in certain massive tractor blockades in PEI and certain arrests had taken place and charges laid. So at the time the RCMP did check with this agency with respect to this possible disruption of peaceful activities in PEI. I might say that whatever was to take place did not take place and there have been no further checks on Mr. Atkinson since that time. That was the only time.

Mr. Nystrom: The minister said in the House yesterday, as recorded on page 1312 of *Hansard*, that the only time someone would be under surveillance would be if they were suspected of committing a criminal offence or if there were serious suspicions about breaches of the security of this nation. I should like to know whether or not the incident to which the minister referred is the reason Mr. Atkinson was put under surveillance. There was a tractor demonstration in August of 1971, and I found, on checking with Mr. Atkinson's lawyer this morning, that the charge against him under section 381 of the Criminal Code was conspiracy to intimidate the public from the lawful use of a highway for no valid reason. The case was dismissed at a preliminary hearing in magistrate's court. I should like to know from the minister whether or not the only reason Mr. Atkinson was put under surveillance, was subversion or whether it was the intention to commit a criminal offence, to which he referred in the House. That is a very serious question and we want an answer to it.

Mr. Allmand: As I mentioned a few minutes ago, the RCMP received information that the National Farmers' Union were planning certain illegal activities to disrupt peaceful activities in PEI. The police had an obligation to check this out to see if the stories were correct, and that is what they did. When they found out that they were not correct, they stopped any further checking on Mr. Atkinson.

● (1130)

REASON FOR SURVEILLANCE OF LEADERS OF NATIVE GROUPS

Mr. Lorne Nystrom (Yorkton-Melville): A supplementary question, Mr. Speaker. Yesterday, in the House the Solicitor General made a commitment to check into the possibility that certain native leaders in Saskatchewan were under RCMP surveillance. I wonder whether he can now provide that information.

Hon. Warren Allmand (Solicitor General): Yes, Mr. Speaker. Prior to the arrival of the Indian caravan, the RCMP had received information that certain individuals associated with it were considering the use of violence and other illegal activities in Ottawa. As result of this information, the RCMP tried to determine through buslines, rent-a-car agencies and travel agencies, how many participants were coming to Ottawa and whc they were so that they could perhaps take preventive measures against the use of violence and anti-legal activity. They did contact this travel agency to find out if any of the Indian leaders were coming to Ottawa with the caravan.

* * *

[Translation]

HEALTH

GROUND BEEF—REGULATION OF FAT CONTENT AND IMPROVEMENT OF INSPECTION

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

In June 1974, the Food Prices Review Board made a report and recommendations to the government concerning the passing of regulations requiring that ground beef sold by retailers be labelled to indicate the maximum fat content. Can the minister say whether or not he intends to implement the recommendation of the board?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, we are now looking into the possibility of passing regulations to that effect. I trust I shall be in a position to announce them in the very near future.

Mr. Laprise: Mr. Speaker, I have a supplementary. Is the minister also considering the possibility of improving the meat inspection system, especially where less expensive meats are concerned such as ground meat and others? We recently heard disquieting reports in this regard.

Mr. Lalonde: Mr. Speaker, I made a statement to that effect in the House around fifteen days ago.

* * *

[*English*]

INDIAN AFFAIRS

SETTLEMENT OF LAND CLAIMS OF JAMES BAY INDIANS—REASON FOR ABSENCE OF MINISTER—POSSIBLE USE OF SETTLEMENT AS GUIDE IN DEALING WITH FUTURE LAND CLAIMS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Prime Minister. The first question must naturally be why the Minister of Indian Affairs and Northern Development is not in his place to inform the House of the federal government's commitment, participation and constitutional responsibility in the James Bay settlement, particularly in view of the fact that he is divulging this information to forums outside the House. I would ask the Prime Minister personally to tell the House if it is his government's intention to use this settlement, as the Minister of Indian Affairs and Northern Development has stated, as a benchmark or model in negotiating all other outstanding land claims?

Mrs. Iona Campagnolo (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development): Mr. Speaker, this is an historic day of agreement—

An hon. Member: Where is the minister?

Mrs. Campagnolo: I am going to tell you if you have time to listen.

Some hon. Members: Hear, hear!

Mrs. Campagnolo: This is an historic day of agreement in principle between—

Some hon. Members: Motions.

Mrs. Campagnolo: —the James Bay Cree, the northern Quebec Innuit, the province of Quebec and the federal government.

Some hon. Members: Motions.

Mr. Clark (Rocky Mountain): Mr. Speaker, a point of order.

Some hon. Members: Oh, oh!

An hon. Member: Sit down!

An hon. Member: Just listen.

Mr. Speaker: The hon. member for Rocky Mountain on a point of order.

Mr. Clark (Rocky Mountain): Mr. Speaker, my point of order is that the parliamentary secretary to the minister is attempting to bootleg into this House—

An hon. Member: She was asked a question.

Mr. Clark (Rocky Mountain): —a statement which bears no relation to the question asked. It constitutes a statement on motions which the government refused to deliver during the appropriate period of this House, but instead sent the minister away to make an announcement outside this House. The minister was here at 10.30 last night. This indicates a clear contempt of the practices and privileges of this parliament.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The point of order is not without some merit—

Some hon. Members: Hear, hear!

Mr. Speaker: —not because it relates to the presence or absence of the minister but because the question that was posed really was to the Prime Minister and not to the Minister of Indian Affairs and Northern Development. As I recall, the first part of the question to the Prime Minister was, why is the Minister of Indian Affairs and Northern Development not present in the House at this time? The point of order may be valid, not because the parliamentary secretary is proposing to give information on behalf of her minister which, as I think I have said on previous occasions, is a very important aspect of the work of parliamentary secretaries—

Some hon. Members: Hear, hear!

Some hon. Members: Motions.

Mr. Speaker: —but simply because the original question was to the Prime Minister.

However, in fairness the question also sought information on the nature and whether the government proposed to use this as a "benchmark" I think the word was. I believe that information was sought and was what the parliamentary secretary was trying to give. However, to keep it in order perhaps the Prime Minister might like to answer.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will need guidance from you. Members of the opposition generally direct questions to me if a minister is not in the House, and my practice in such cases is to turn either to the acting minister or the parliamentary secretary. If we agree that parliamentary secretaries should play some role—

Some hon. Members: Hear, hear!

Mr. Trudeau: —it is obvious that this parliamentary secretary was going to explain why the minister is not in the House. It is because he is in Montreal doing certain things. I could obviously answer the question, Mr. Speaker, but the House would be better informed if it were prepared to listen to the answer of the hon. parliamentary secretary.

Some hon. Members: Hear, hear!

An hon. Member: On motions!

Mr. Speaker: In the absence of further points of order I have to consider that the Prime Minister has answered the first part of the question but the second part ought to be answered by the hon. parliamentary secretary.

Mrs. Campagnolo: Mr. Speaker, on that particular question—

Mr. Beatty: Mr. Speaker, a point of order.

Mr. Speaker: The hon. member for Wellington-Grey-Dufferin-Waterloo on a point of order.

Mr. Beatty: Mr. Speaker, I think there would be a disposition on this side of the House, if it were agreeable to the government, to give unanimous consent to revert to motions so that there could be a proper response to—

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. parliamentary secretary.

Mrs. Campagnolo: Mr. Speaker, the minister is not reporting in the House today as he has accepted the signing time and place at the behest of the two native groups and their schedule has prevented him from being here.

An hon. Member: Bourassa's schedule.

Mrs. Campagnolo: Mr. Speaker, the good faith of those involved has been amply demonstrated for all to see. However, specific details of the agreement cannot be made known at this time as the signing does not take place until noon today. I therefore feel, Your Honour, that further comment might be reserved to be placed before the House on the return of the minister. It should be noted that this is an agreement in principle only and is subject to further negotiation.

Some hon. Members: Hear, hear!

Miss MacDonald (Kingston and the Islands): Mr. Speaker, a point of order. In view of the information provided by the parliamentary secretary, I wonder if the House would give unanimous consent to revert to motions at two o'clock this afternoon so that all parties would be given the opportunity to respond to the information on a matter of highest priority.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Central Nova.

Mr. Turner (Ottawa-Carleton): There won't be enough of you guys around.

Mr. Hees: Same old rotten gang!

[Mr. Trudeau.]

NATIONAL DEFENCE

PROPOSAL TO ESTABLISH ARCTIC BASE—GOVERNMENT POSITION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Minister of National Defence. In light of avowed Canadian needs for policing and servicing in the Arctic both to protect our sovereignty and to foster economic development, can the minister tell the House whether he will study proposals for an Arctic Canadian base as proposed by the Naval Officers' Association of Canada?

Hon. James Richardson (Minister of National Defence): Yes, Mr. Speaker.

ADEQUACY OF ARMED FORCES TO PATROL COASTS AND PROTECT SOVEREIGNTY

Mr. Elmer M. MacKay (Central Nova): A supplementary question, Mr. Speaker. Does the minister still hold to his position, as stated in this chamber on November 13 in response to a question by the Leader of the Opposition that the job of protecting Canadian sovereignty and coastal surveillance is being done adequately at the present time and does he plan to take action on the recommendation for nuclear submarines and icebreakers made by the Naval Officers' Association of Canada?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, in response to the question of the Leader of the Opposition I stated that surveillance of our coasts was taking place. I did not at any time suggest that we could not continue to improve our capability. I have made it known that we are actively studying the acquisition of a new long range patrol aircraft which would greatly increase our capability to survey Canadian coastal waters.

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● (1140)

[*Translation*]

IMMIGRATION

CONSEQUENCES FOR HAITIANS OF DEPORTATION—GOVERNMENT POSITION

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to direct a question to the right hon. Prime Minister.

In view of the importance of this matter, especially for Quebecers, in view of the fact that yesterday the Prime Minister received a call from Mgr. Grégoire on the deportation of a certain number of Haitians, and since the Minister of Communications has stated to the press in a telephone interview that the cabinet has indeed undertaken to examine the possibility of deciding favourably on the Haitians' condition, could the Prime Minister advise us today whether the cabinet is still examining this matter and hoping to come with a solution which, as everybody is hoping, will protect completely the security of those Haitians?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as to the first part of the question, we certainly want the federal government to take the right solution to protect all the people involved, that is Haitians as well as Canadians themselves. We do not feel that we have ruled in any but a favourable manner. I think the Minister of Manpower and Immigration reported to the House yesterday a statement made by the United Nations High Commissioner for Refugees. As to the other part of the question, Mr. Speaker, I would say that we are still reviewing it. The minister is always watching for new methods to solve this problem in a fair and humanitarian fashion and he is always in touch with his colleagues.

Mr. La Salle: Mr. Speaker, I have a supplementary question.

Does the Prime Minister's reply mean that there are no changes possible to the decision already rendered and announced by the Minister of Manpower and Immigration? Since the act contains a special clause dealing with the persons concerning whom there are reasonable grounds to believe that they are likely to come to serious harm, could not the government avail itself of this clause, out of pity and for humanitarian reasons, to grant days of grace to the Haitians concerned, should it deem it necessary?

Mr. Trudeau: It is precisely because of this clause that the minister and the government have made sure that each case will be heard and decided on its own merit. We do not intend to render global and collective judgments but find out whether the humanitarian or refugee aspect could be invoked in respect of each and every one of these cases. I do not understand what the hon. member means by more global solutions. If he really wants to change the spirit and the letter of the law, he will quickly realize that a lot of those who come to Canada as tourists eventually try to stay here on a permanent basis. The issue we are dealing with now is likely to come up over and over again, so that it is essential that the government and opposition members agree on procedures which are both fair and humanitarian.

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[*English*]

CONFLICT OF INTEREST

REASON FOR FAILURE OF SOME CABINET MINISTERS TO DISCLOSE INTERESTS—DATE FOR DISCLOSURE BY SENIOR CIVIL SERVANTS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question to the Prime Minister also relates to the general question of conflict of interest of cabinet ministers. Before putting my question, I wish to congratulate the Prime Minister, even though it is a year late, on finally setting up the simple administrative procedures which resulted this morning in the opening of a public registry which, I am told, indicates the holdings of some of his cabinet ministers. My question relates to some cabinet ministers only. Why does the public registry opened this morning relate only to the holdings of those cabinet ministers who were cabinet ministers on July 8? Why is it taking so long to indicate the holdings of the newer cabinet ministers? Has the Prime Minister set a deadline for them to indicate their holdings?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe I indicated to the newer ministers in a general way that I expected them to comply by the end of this calendar year, but I must check on the facts. Insofar as I am aware, I thought that every minister except one, including the new ones, had complied, but I will look at the facts. I am sure they will all comply by the end of the year with the possible exception of one minister who will be in a more difficult situation in resolving this problem in a way which will be satisfactory to the House. It is not a question of conflict. It is a way of finding a just method of divesting himself of any interest he might have in ongoing contracts.

Mr. Lawrence: Now that this principle has been accepted by the government for cabinet ministers and knowing the propensities of this government in many cases where senior civil servants have more to do with setting policy than even the cabinet, will the Prime Minister advise when we may expect the same principle, machinery and public registry to be set up for senior civil servants?

Mr. Trudeau: Mr. Speaker, the hon. member will recall that when I made the announcement on guidelines, I covered not only cabinet ministers but senior civil servants, order-in-council appointments and, indeed, we took dispositions to regulate every member of this House, the latter part having been referred to a committee of this House in the last session. Insofar as the registry may be applicable to any other persons other than cabinet ministers, I will have to ascertain the date which was fixed for them. If my memory is not incorrect, it was some time in the early spring, but I will check that out.

* * *

EXTERNAL AFFAIRS

PROPOSAL FOR PURCHASE AND PROCESSING OF BEEF FOR NEEDY COUNTRIES—WILLINGNESS OF GOVERNMENTS OF SASKATCHEWAN AND ALBERTA TO PARTICIPATE IN PROGRAM

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Secretary of State for External Affairs. Prior to the minister and his colleague, the Minister of Agriculture, departing for Rome, the Minister of Agriculture was sent a telegram by the National Farmers Union requesting the government to set up a special program for the purchase and processing of beef as an important means of providing aid to many countries of the world which are in need of such foodstuffs. It would also provide assistance to Canadian farmers and producers who will be confronted with a particularly serious situation this winter. Was such a program considered by the Canadian delegation prior to going to Rome? If so, what conclusion was reached on this proposal?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, to my knowledge I cannot say that such a program had been explicitly considered by the delegation. There is a provision in our proposals made

in Rome under which we can increase non-grain food aid. Presumably it would be under that umbrella such a proposal could be considered. My understanding is that the possibility of using canned beef, for example, in developing countries for the relief of starvation is not an easy one because of food habits, particularly cultural practices with respect to the consumption of food. With that qualification, I am sure that the Canadian International Development Agency, in its food program, will be searching out every possible way to provide non-grain food aid. If appropriate, it will consider that possibility as well.

Mr. Broadbent: Mr. Speaker, this request was made by the National Farmers Union. The governments of Alberta and Saskatchewan have indicated agreement in principle to take part in such a program. If I understand the minister correctly, the federal government has not taken that position. The minister is simply saying they might consider doing that, but as far as he is aware, there is no active consideration of the policy taking place at this time. I would like the minister to clarify that all he is saying is the government might consider such an approach. Is that correct?

● (1150)

Mr. MacEachen: Where the use of such foodstuffs in the food program is appropriate, it is always under consideration by CIDA. The hon. member referred to the desire of two provinces to take part in the program. I think this is a positive indication of the interest being taken in Canada, and we shall certainly be following up on our side the possibility of involving those provinces and others in the food aid program.

WILLINGNESS OF GOVERNMENTS OF SASKATCHEWAN AND ALBERTA TO PARTICIPATE IN PROGRAM TO SUPPLY PROCESSED BEEF TO NEEDY COUNTRIES—REASON FOR FAILURE OF FEDERAL GOVERNMENT TO RESPOND

Mr. Edward Broadbent (Oshawa-Whitby): A final supplementary for the Prime Minister. Since two provinces have indicated their willingness to put up dollars as part of their contribution could the Prime Minister explain why, given the urgency on the international scale and the problems producers are facing right now, the federal government has not responded to this proposal?

Right Hon. P. E. Trudeau (Prime Minister): The House will want to know that when I met with the premiers toward the end of last month at 24 Sussex Drive, I did bring up this question and I received a very favourable response not only from the two provinces which have been mentioned but from the provinces generally. They were disposed to help in any way they could. At that time our plans for the Rome Conference were well advanced and there was no question of involving the provinces in anything which might be said in Rome. The main thing is that we have their agreement to assist in some way and, as the minister has said repeatedly, our posture in Rome was not the final word on this question; there are other measures we are considering in cabinet and I am sure we shall find means of involving any provinces wishing to concern themselves in any way.

[Mr. MacEachen.]

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—ALLEGED REFUSAL OF PROJECTS APPROVED BY ADVISORY COMMITTEES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

In connection with LIP projects, the department has asked us a few months ago to suggest the membership of advisory committees responsible for recommending projects to the department. Now I have been told that projects recommended by advisory committees in some constituencies are rejected by the department, while others recommended by political friends are accepted. I do not want to be partisan, but when it came to the membership of committees which we suggested, I did not ask myself whether they were Liberal, Progressive Conservative or Social Credit. I wanted them to be representative of all political parties.

Can the minister tell us whether projects recommended by an advisory committee are rejected while others which are not are accepted by the department?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I am able to assure the hon. member that in principle this is not the case. When the department receives applications, some of them may not satisfy the initial criteria at all, that is, the criteria established for screening as to eligibility, but even those applications are forwarded, for information, to the constituency advisory group where such a group exists. The function of the advisory group is to examine these applications on the basis of community needs and of their suitability, and to recommend priorities within the budget allocation. I do not usually interfere if there is agreement that the project is eligible, if it has been approved by the constituency advisory group and if the hon. member involved has not made any particular or valid objection to it. In such a case it would be almost automatically approved subject to the budget available. If the hon. member has any instances of a specific nature to show there has been a departure from this process I would be very grateful if he would register them with me. I will follow through and find out what, and why, deviations, if any, have taken place.

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BUSINESS OF THE HOUSE

DATE OF INTRODUCTION OF LEGISLATION ESTABLISHING INDEPENDANT ACCIDENT INVESTIGATION BOARD

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I have a question for the President of the Privy Council. In view of the extensive and regrettable loss of life in the recent crash of a Panarctic air liner near Melville Island, can the hon. gentleman inform us when the government will be bringing forward the legislation promised in the Speech from the Throne to establish an independent accident investigation board?

Hon. Mitchell Sharp (President of the Privy Council): I cannot give an exact time. As the hon. member knows, a number of urgent measures are still before the House. I hope they can all be disposed of quickly so that we can get to legislation such as the hon. member has in mind, legislation which I, like himself, regard as important.

Mr. Stanfield: You can bring it in any time, you know that.

Mr. Sharp: We must get the other bills through first.

* * *

EXTERNAL AFFAIRS

GARRISON DIVERSION PROJECT IN UNITED STATES—GOVERNMENT EFFORTS TO SECURE MORATORIUM ON CONSTRUCTION

Mr. Dean Whiteway (Selkirk): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It relates to a letter sent by the Canadian embassy to the state department of the United States on October 23, 1973 and I would ask the hon. gentleman to bear in mind that this was one year, three weeks, one day, 22 hours and 58 minutes ago. In that letter, the government of Canada made an urgent request that the government of the United States should establish a moratorium on further construction of the Garrison diversion unit. Does the minister not consider that this has been a long time to wait for a reply to an urgent request? Will he tell us what is presently the status of this diversion scheme?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): One thing the hon. member has proved is that his question is certainly disqualified under the rules of the House.

Some hon. Members: Oh!

Mr. MacEachen: The policy of the government on that particular point is still unchanged.

Mr. Whiteway: In view of the fact the construction has been speeded up, and that they are digging while all we are doing is hoping, may I ask what concrete action the minister is taking to ensure that this memorandum will be answered either affirmatively or otherwise?

Mr. MacEachen: I am afraid the hon. member's facts may be out of line. However, I want to reassure him we have been in frequent communication with the United States government with respect to the proposed diversion. Studies have been conducted in collaboration with the province. The hon. member can be assured that the interests of Canada are being upheld at all times and that our point of view is fully understood by the United States government.

HOUSING

ALLEGED OFFER OF ARABIAN MONEY FOR INVESTMENT—PERSONS TAKING PART IN NEGOTIATIONS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to address a question to the Minister of State for Urban Affairs. Would he inform the House as to the terms of the loans being offered by Arab oil concerns for investment in the Canadian Housing market? Who were the government officials and the other individuals, aside from government officials, involved in the negotiation of these investments?

Hon. Barney Danson (Minister of State for Urban Affairs): I do not think there have been negotiations. I suppose I get a call a week from an individual representing concerns with large sums of foreign money to invest. I do not discriminate against money on the basis of its nationality; I am constantly concerned about there being a regular supply of mortgage money to the market. The fact is, if one tries to pursue these offers, nothing happens. I have not seen this one reach fruition, or a concrete stage. There are many things to be taken into consideration. I would have to be guided by my colleague the Minister of Finance. Certainly, this would have to be handled through proper financial intermediaries. I suggest that they speak to the banks and trust companies about this, or the mortgage investment corporations. Certainly CMHC is not directly involved in this respect.

● (1200)

Mr. Baker (Grenville-Carleton): Mr. Speaker, I am not really sure what happened to the government of Canada just a few moments ago. I do not know whether they had an offer or not, but considering the way this particular money is coming in would the minister express his opinion on whether or not he considers that the acceptance of Arabian funds in the housing market would jeopardize Canada's position with respect to international relations between either the Arabian countries or Israel?

Mr. Speaker: Order, please. I am sure the hon. member, with his long years of experience, knows well when he either hears or poses a hypothetical question.

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EXTERNAL AFFAIRS

BANGLADESH—REQUEST FOR AID—GOVERNMENT POSITION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Can the minister advise the House whether the government is considering, apart from the Rome conference milieu, some further special urgent measure of aid to that long suffering and anguished country, Bangladesh, where a situation exists so grave and perilous as to compel the compassion of mankind? Is the minister in consultation with the authorities of that government?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I am sure the hon. member

is aware that apart from the Rome conference the Canadian government has already extended assistance to the people of Bangladesh. I am sure that apart from our commitments made at Rome we would want to do anything further that would be justified in the circumstances. I do not think our commitment in Rome precludes action in other stricken areas.

REASON FOR FAILURE OF MINISTER OF NATIONAL HEALTH AND WELFARE TO REPORT ON TRIP TO ISRAEL

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the government House leader and relates to the previous questions asked about the trip to Israel by the Minister of National Health and Welfare. In light of the fact that it is established custom in this House that, when a minister represents Canada on an official visit to another country, upon his return to Canada he makes a full and complete report on what took place to the House of Commons, such as did the Minister of National Defence earlier this week, what is the reason that the Minister of National Health and Welfare has yet to report on his official visit to Israel.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I can assure the hon. gentleman that there is no such government policy, and I am sure that the House of Commons would resist ministers getting up and reporting every time they went abroad.

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TRANSPORT

FREEZE ON RAILWAY FREIGHT RATES AND LINE ABANDONMENT—GOVERNMENT POSITION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct a question to the Minister of Transport. Can the minister inform the House whether a decision has yet been reached on the future of the railway freight rate freeze and the freeze on rail line abandonment; and if a decision has been reached, would he tell the House when an announcement will be made?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this question was studied last week at length. I will have to get in touch with the railways. As the House knows, under the kind of commitment that we have we never actually froze any rates; we asked the two railways not to increase rates. This commitment will, of course, terminate on December 31, and I am now trying to see what they intend to do. I hope that by next week I will be in a position to tell the hon. member what the exact situation will be.

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PUBLIC SERVICE

NUMBER OF FORMER EXECUTIVE ASSISTANTS TO MINISTERS NOW IN SERVICE—GUIDELINE FOR SUCH APPOINTMENTS

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is for the Prime Minister. Now that the Secretary of State has appointed his former executive assistant as the new director of the Company of Young Canadians, will the Prime Minister tell the House how many other former executive assistants to ministers are now in the public service, and whether any guidelines have been established or instructions given regarding the appointment to the public service of personal assistants to partisan ministers. If the Prime Minister is not prepared to give the House that information now, would he make a specific reference of this question to the appropriate committee?

Mr. Speaker: Order. I think the hon. member will appreciate that that kind of information is properly solicited in another way.

Mr. Clark (Rocky Mountain): On a point of order, Mr. Speaker, although I hesitate to rise I have tried to seek that information by way of a question on the order paper, and I was roadblocked in the attempt by a reply, which I would call misleading to say the least, from the President of the Privy Council. I think this should be brought to the attention of the House. At any rate, I will raise the matter at ten o'clock.

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NATIONAL DEFENCE

POSSIBLE INCREASE OR DECREASE IN STRENGTH OF MILITIA AND RESERVE FORCES—GOVERNMENT POSITION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of National Defence. In view of the fact that there is a thrust towards reducing the size of the Canadian Armed Forces, would the minister indicate to the House what his intentions are regarding the militia and reserve forces so far as either increasing or decreasing their strengths, since the regular forces are being reduced?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, although I do not accept the preamble to the question, it has been publicly stated on a number of occasions that we are strengthening the reserve forces and militia. They have more funds and more equipment and they will be increasing in numbers.

Mr. Marshall: Mr. Speaker, a supplementary question. In view of the fact that General Waters indicated in a press release today that they were increasing, would the minister make a statement on motions later as to the feelings of the conference of defence associations regarding the status of the militia reserves and their deterioration?

Mr. Richardson: Mr. Speaker, I am quite frequently making statements on the reserve. I do not think it would be necessary to make one on motions in the near future.

HOUSING

USE OF ALUMINUM WIRING—GOVERNMENT ACTION TO PROHIBIT IN VIEW OF FIRE HAZARD

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of State for Urban Affairs responsible for housing. In view of the conclusions reached by a team of investigators of Ontario Hydro to the effect that aluminum wiring used in house building constitutes a dangerous fire hazard, what steps does the minister propose to take to protect Canadians against this hazard in view of the widespread use of aluminum wiring in house building in Canada?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I was not aware of this report but I am sure that my officials in CMHC are. In any event I shall have to check with them and get a full report on the situation. They are right on top of these things as soon as they happen.

* * *

TRANSPORT

RAILWAY LINE ABANDONMENT—PROVISION BY RAILWAYS OF FIGURES ON REVENUES, COSTS AND TRAFFIC VOLUMES

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question to the Minister of Transport is supplementary to the question asked by the hon. member for Vegreville. In view of the fact that the January 1, 1975 date is approaching very rapidly and that on this date the abandonment of many railway lines in western Canada is possible under the National Transportation Act of 1967, and in view of the fact that in 1967 the minister promised parliament that before abandonment there would be public hearings in each case of request for abandonment and that the railways would be required to provide the public with figures on revenues, costs and traffic volumes, according to page 11780 of *Hansard* for January 12, 1967, has the minister received from the railways any indication that they have these figures ready for the public?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I do not have such a good memory that I can say that this is exactly what I said. I know that my colleague, the Minister of Justice, stated something along the same lines, but we told the western provinces that we would act very carefully in the field of abandonment of branch lines and that no branch lines would be abandoned unless we found a proper substitute or that our producers had proper service.

REQUEST FOR REPORT OF WHEAT POOLS GIVING FIGURES ON REVENUES, COSTS AND TRAFFIC VOLUMES OF RAILWAY BRANCH LINES

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): A supplementary question, Mr. Speaker. Would the minister, then, make available to interested members of this House the report received by his department from the western grain pools giving these figures from the years

1943 to 1965? I think the minister will find this report in his department.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have to make sure that I received the report and not the Minister of Justice, who is responsible for the Wheat Board, and I will tell the hon. member early next week.

Mr. Speaker: Orders of the day.

Mr. MacKay: Mr. Speaker, I want to rise briefly on a point of order, which perhaps is a euphemism for a point of information. There has been a great deal of reference made in connection with the now celebrated trip of the Minister of National Health and Welfare (Mr. Lalonde), as an official visit or official trip. Without the benefit of the experience and knowledge of some of my more august colleagues as to the rules, I am puzzled as to what exactly constitutes an official trip or visit by a government minister to another country, that is what special qualities mark it as an official trip. I was wondering, as a matter of information, if perhaps someone on the other side of the House, the Prime Minister (Mr. Trudeau) or the Secretary of State for External Affairs (Mr. MacEachen), could tell me briefly what marks it as an official trip, assuring me that it is, and the minister might then table the itinerary so that whatever qualities it has that constitutes it as an official trip could be then open to the scrutiny of the House.

● (1210)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO PROVIDE LEADERSHIP IN SOLVING WORLD FOOD CRISIS

Mr. Andy Hogan (Cape Breton-East Richmond) moved:

That this House condemns the government for its failure, both before and during the World Food Conference in Rome, to provide leadership concerning the food crisis facing many developing nations, and calls on the government to give real leadership on this most acute problem of our time by increasing its commitment of food and other agricultural assistance to such nations and by adopting a trade policy favourable to their future development.

He said: Mr. Speaker, in opening this debate on the world's food crisis and Canada's responsibility, I want to quote from a group of scientists and economists who met on the eve of the World Food Conference. This group was led by economist Barbara Ward, and this part of their statement puts the problem in the urgent perspective from which we must not hide, despite the natural human desire to put such urgent, depressing and complex problems from our minds. As someone has said, there is no subject, however complex, which if studied with patience and intelligence will not become more complex. I quote from the statement:

Even if official development assistance almost doubled by 1980, the poorest countries containing at least 20 per cent of all the world's

people are threatened with an actual decline in their already precarious living standard.

A panel of experts addressing the United Nations-sponsored gathering at Rome put the urgency of the problem in the very short run, for the next eight or nine months, in even starker terms that we can all understand:

The primary question before us is how many of the world's people may not survive until the next harvest.

The Food and Agricultural Organization of the UN estimates the shortage in food grains as between 7 million and 11 million tons, broken down in this way: India, 3.4 to 7.4 million; Bangladesh, 1.9 million; Pakistan, 1 million; Sri Lanka, 200,000; and 20 other nations, mainly African, including the sub-Saharan section, 1.3 million.

I now want to make an evaluation of Canada's response to this need. We are now well aware of the essential response of Canada, made by the Secretary of State for External Affairs (Mr. MacEachen), at the World Food Conference. He promised, on behalf of Canada, one million tons of food grains for each of the next three years. The government House leader, in the absence of the Secretary of State for External Affairs, told us in the House a week ago last Wednesday that the countries at the Rome conference were asked to pledge a total of ten million tons of grain annually for three years. Canada has consented to contribute 10 per cent of that total.

The House leader said on that occasion that this would mean an "enormous increase" in money for food aid. He did not mention, though, that for this country's 180,000 wheat farmers, the 36.7 million bushels—which is the equivalent of one million tons a year—is worth about $940 to each of them in income. He also neglected to tell the House, of course, that Canada had contributed some 1.3 million tons of food aid, worth about $90.8 million, in 1970 when the world food crisis was not nearly as threatening. Our GNP was then $85 billion, and today it is in the vicinity of $120 billion. He mentioned that Canada would be prepared to increase substantially the allocation of commodities other than food grains. He did not mention, however, the steady sag in food aid by this federal government in the past four years.

The government House leader seemed euphoric and boastful in the House about Canada's contribution, but many of us found his attitude somewhat narrow and parsimonious, depicting sort of a complacent attitude, especially in view of the desperate seriousness of the world's pressing poverty problem. After all, the amount of wheat promised to the poor countries by us at Rome represents only half the amount of wheat we Canadians eat each year. A million tons of wheat makes enough flour to produce some 1.5 billion loaves of bread, or about three loaves for each of the some one-half billion hungry people in the world. Indeed, Canada's emergency food grains pledge works out to about one slice of bread per person every five days. So much for the question of immediate aid. What about helping them in the long run?

I want to speak about Canada and the fertilizer problem in the developing countries. The House leader did not mention anything about providing fertilizer to these needy countries. At present we are giving none. Many concerned and knowledgeable people insist that if we are serious in wanting to help solve the longer term crisis, we will have to contribute at least 150,000 tons of fertilizer to these countries for at least 10 to 15 years, if they are to learn to feed themselves. One ton of fertilizer can produce 10 to 15 additional tons of grain in India and Bangladesh. The extent of the catastrophe facing the fertilizer industry in developing countries is scarcely believable. During the period 1965-71 the fertilizer industry in Canada, Japan and many western countries was plagued with overcapacity. This turned out to be a blessing for the least developed countries: they could buy low-priced fertilizer on world markets and this helped to make the so-called "green revolution" a reality.

By 1972, world demand had caught up with supply. The oil price crisis of 1973 made things much worse for the very poor countries. Certain petroleum products, especially naphtha, have become the principle feedstocks for nitrogen fertilizer. Price increases in these petroleum products have thus led to further price increases in fertilizer products. Canada can really help these countries develop their own food capacity by supplying them with elemental sulphur and potash, both basic raw materials for potassic fertilizer. We are one of the largest producers and exporters of potash in the world, as I recently found out during a visit to Saskatchewan. We also have an abundance of elemental sulphur in Alberta. The federal government should, for purposes of helping the least developed countries, subsidize both of these abundant commodities for export to these very poor countries.

If I can ever get your attention, Mr. Speaker, this should be clearly kept in mind while the federal and provincial government of Saskatchewan—

Mr. Speaker: Order, please.

Mr. Hogan: I am sorry, Mr. Speaker. This should be clearly kept in mind while the federal and provincial government of Saskatchewan play tug-of-war over the question of taxation and royalties connected with the potash industry. Another alternative we can quickly look into, to help overcome the all but hopeless handicap of the poor nations with regard to fertilizers, is to use some of the extremely abundant, known coal reserves of Alberta—which compared to the reserves of Nova Scotia, from where I come, are minute—for the production of nitrogen fertilizer by means of a coal gasification process now being perfected in Alberta.

● (1220)

Alternatively, we can see if it is possible to help India test whether the Alberta technology for coal gasification can be used in turning India's large coal reserves to production of nitrogen fertilizer. I repeat, Mr. Speaker, if we are serious about helping these countries develop their own capacity to grow their own foods, we should sincerely and quickly consider these and other possible options.

Now I wish to speak for a few minutes about the priority in respect of food production—which should be present in this country and is not. It seems to me, though, as I mentioned in my maiden speech in the House, that over at least the next decade Canada has to build an almost new agricultural policy based on the premise that, while we cannot feed the world's starving, as one of the few grain exporting nations left we have to make a contribution that

is second only to the United States; unless, that is, we prefer to watch on our television sets the horror of hundreds of thousands dying because we, along with other nations, have failed to mount the massive, complex and extraordinary effort necessary to meet the problem of food aid to these impoverished human beings. They, regardless of colour or distance, are our human brothers and sisters under the skin.

As one with some specialized training in economics, I know that this may be very costly for us and may even mean notable changes in our life-style. But again, realistically speaking, do we have any other alternative, whether we call ourselves Christians, Jews or just humanists? If I am right, this should mean that this nation will have to give the highest priority, for at least the next decade and likely longer, to the production of food. The farmers, of course, will have to be guaranteed a just price so that they will not suffer from the surplus-shortage syndrome that they have had to carry in the past. Little wonder that they are cynical if they are asked to go all out. These and many other difficult problems must be solved within Canada and between the nations who in Rome pledged their support.

Our party does not want to take a "holier than thou" attitude, but we sincerely ask this government to take a strong lead in this, one of the most serious problems to face mankind in its history. After all, the United Nations, and especially the Food and Agricultural Organization, has been warning us of the day of reckoning since at least 1963. This country, and others, I repeat, must place the highest priority on food production. We must develop our latent food capacity and stop using prime agricultural land for non-farm uses. Of course, what we all must realize is that in pressing for very increased production, what the economists call the principle of diminishing marginal return on productivity enters into the picture. In everyday words, when you start seeding and planting new lands you increase the cost of production. Every new acre you bring into production will generally tend to increase the marginal and average price.

We must also improve our grain transportation facilities which all the western members of parliament deplored in debating the grain handlers' strike earlier in the session. It goes without saying that all the countries which pledged their commitment at Rome must also help the very poor countries to improve their delivery systems. Some estimates suggest that only 60 per cent of the grain sent to India ever gets inland to the hungry.

Now I want to talk for a few minutes about the food crisis and population growth in these poor countries. The food crisis is, of course, tied to some extent to their rapid population growth: 74 per cent of the world's population already lives in the Asian, African and Latin-American regions where poverty, poor health and malnutrition are widespread. By the year 2,000 these regions will account for between 81 per cent and 84 per cent, whether fertility declines or not. At the same time, the share of the world population living in the comparative luxury of North America and Europe will decrease from 26 per cent to between 16 per cent and 19 per cent.

I am quoting from the International Monetary Fund projection made in December, 1973. The recent population conference in Bucharest, also sponsored by the United Nations, made clear, though, that the problems of these poor countries is not population growth as such. Population is, of course, a factor in development, but so is international economic equity. The opening paragraph of the "Plan of Action" adopted by consensus of the delegates at the Bucharest conference emphasized that—

> The basis for an effective solution of population problems is above all socio-economic transformation.

That idea is recurrent in the document. High fertility rates cannot be lowered by the mere provision of family planning information and material, important as that is. Declines in birth rates and family size are associated with development and modernization, as our own history testifies. Population, moreover, is not the critical source of pressure on the earth's resources and environment. It is consumption that matters, whether by large populations of poor countries or by high per person consumption and waste in the rich countries. In this connection I wish to quote from *The Scientific American* of November, 1974, at page 49:

> It is imperative that all countries, and within them all social sectors, should adapt themselves to more rational utilization of natural resources without excess so that some are not deprived of what others waste.

Mr. Speaker, in concluding these remarks I wish to summarize my thoughts by saying that in the short run the very poor countries with starving and near-starving people need our aid, and we should give it as generously and as efficiently as we can. There is, moreover, the question of trade, as well as aid, which the Canadian delegation at Rome—despite what the Secretary of State for External Affairs said—seemed to sidetrack by their filibustering methods. It should be evident to us that these poor countries need access to our markets at stable and decent prices. They also need help from all the better-off countries, in terms of technology and capital.

On the other hand, Canada, the United States and other donor countries should not be expected to do the following, and I quote Richard N. Garner, professor of law at Columbia University, the originator of the imaginative notion of a "global survival pact" who is referring to the United States but the same sentiment would hold for Canada:

> —be willing to give endless amounts of food to an Indian government that cuts its family planning budget, mismanages food production and distribution and invests scarce resources in the testing of nuclear devices.

That quotation is from the New York *Times* of November 11, 1974, at page 1. In conclusion, I wish to speak on leadership and generosity. Surely we can all agree that the impoverished nations must in the long run feed themselves and must learn to control their population through family planning that does not seem to them to be destroying their dignity or smacking of an imperialistic and racial plot on our part.

● (1230)

It should now be obvious to all of us that it is very difficult to initiate the practice of birth control in a country in which there is little social and economic progress. Surely it behooves Canada and the other "fat cats" of this world to go an extra mile in helping them with very

generous aid in the short run. This will mean, if millions are not to starve over the next decade, that we and the other donor countries will have put together something much more extensive, in food terms, than a Marshall Plan. I submit that this is a frightening and complex challenge, but only then will we have time to witness new agricultural developments in these poor countries and the hope of adequate population control. I think that the Canadian people will show the depth of their generosity as never before, if they are given leadership on this acute problem of our human family. I say this, coming as I do from an area of Canada where poverty and near-poverty, in Canadian terms, is not unknown to us.

Mr. David MacDonald (Egmont): Mr. Speaker, in rising to speak on the motion proposed by the hon. member for Cape Breton-East Richmond (Mr. Hogan), I am pleased to have the opportunity again to take part in a debate on a major international crisis being faced in the year 1974. I am grateful that the hon. member for Cape Breton-East Richmond has presented this motion, and for the opportunity to speak again at length on this subject.

Hon. members may recall that on October 21 of this session of parliament I presented a private member's resolution with respect to the establishment of a world food authority. This gave hon. members a brief opportunity to consider the importance and dimensions of the present world food crisis. I think that of immediate concern to all hon. members, and surely to most Canadians, is the question: is there indeed a food crisis? Indeed, we have been inundated in the past few years with a variety of international crises. We have heard of the monetary crisis, the ecological or environmental crisis, the energy crisis, the population crisis and, more recently via the news media, we have heard of the food crisis.

I suppose it is part of the expression of the world in which we live that all of these crises in their turn—and they have considerable dimension—are not confined either within a national boundary or within a regional territory. In a very real sense, they have worldwide dimensions. I suppose we are faced with the situation that one of the problems in dealing with monetary, energy, ecological and population questions is that we have not yet evolved the kind of institutions which can satisfactorily deal with these problems. But I believe it can be said, without fear of contradiction, that the basic necessity of food for human sustenance and survival is so elemental that no subject could take precedence over it.

We have been told repeatedly and increasingly that food shortages in parts of Africa and Asia and in other localized parts of the world are so acute as to cause severe malnutrition and death, and we realize that we are faced with the greatest crisis of all. It is a grave crisis by any stretch of the imagination, whether or not we talk about it in terms used recently in the New York *Times*, which indicated that 32 nations are close to starvation. Some of the nations mentioned were Bangladesh, India, Pakistan, Sri Lanka, Ethiopia, a whole variety of countries in the northern part of Africa, and specific countries in this hemisphere such as Haita, Honduras, El Salvador and Guyana. These 32 nations which account for hundreds of millions of the world's population have reached such a low-nutrition level that it's becoming increasingly certain that we are on the brink, or are already in a situation of the gravest possible nature.

I should like to read the opening paragraph of the preparatory document put forward at the World Food Conference, which perhaps better than any other document presents the situation in which we find ourselves. It reads:

> The present world food crisis, originating from a combination of longer term problems and temporary setbacks, suddenly emerged in a pronounced form in 1972. In that year the output of food in the world declined for the first time in more than 20 years.

That indicates to us that we are not dealing with the age-old problem of an insufficient amount of food for specific groups of people related to poor harvests and weather conditions, inadequate trade, or a whole variety of events, some man-made and some that are not within the control of man. We have been told repeatedly in this century that more people in this world go to bed hungry every night than people who go to bed having had sufficient nourishment. That is not the problem to which the World Food Conference in Rome is addressing itself, it is not the problem that we are faced with in 1974, nor the problem that we are discussing today. We are discussing a crisis situation.

It is a well known fact that the year 1970 marded a kind of watershed in world food production. Until 1970 there was a continual acceleration of food production which was marginally greater than the growth of the world's population. But we know that following 1970 there was a series of new factors which created a growing gap between the world's productivity and the necessity for the vital elements of food. These relate to a number of man-made factors, such as increased prices and cost of production, decreasing revenues for developing countries, more rapid expansion, in certain instances, of population growth, and a disastrous quadrupling of oil prices in a short period of time which subsequently caused shortage of fertilizers and pesticides so badly needed for improved agriculture in the world.

We are faced with, as a result of these factors—I should also include weather and climatic changes— the most serious kind of famine situation in more than 30 nations of the world. It is interesting to think of that situation vis-à-vis our own domestic situation, because 1970 was a peak year for food production in Canada. It was the year in which we had very large domestic production, so large that we had a large food aid program. I think one would have to say that those two went together. The production was so large that we instituted a program to induce farmers to stop producing. Hon. members will recall the now infamous Lower Inventories for Tomorrow program. It seems a shocking program, in light of what we are facing in 1974.

So there is a food crisis. We read the reports published a few months ago by the executive director of the Children's Fund, who warned that the threat of severe malnutrition or even starvation faces 400 million to 500 million children in poorer countries; and hon. members cannot look with equanimity on the fact that large numbers—in the hundreds of millions—of those who are most dependent, women and children, are near starvation. That, of course, is the background of the present World Food Conference

taking place in Rome. It is the reason we are being asked to address ourselves to the important question of food aid, changes in the distribution system in the world and in trade, and development programs that are currently locked into a whole range of international relations.

One of the most outstanding happenings, with respect to our country, at this conference is the commitment made by the Secretary of State for External Affairs (Mr. MacEachen) for a million tons of food aid each year for the next three years: it was welcomed in Rome, and I believe it was welcomed in Canada, as an important move toward the alleviation of the immediate food shortage. I think all Canadians support this gesture. However, in the last two or three days there has been a disconcerting approach to the most immediate aspect of the problem, which is, of course, the next 12 months or even the next 8 months because this is the period of most elemental need in a number of countries.

● (1240)

Last Wednesday we were told that our government was prepared to make an announcement, on an immediate basis, of an additional .6 million tons of food aid to countries facing acute food shortages. Yesterday, however, in response to a question from the Leader of the Opposition (Mr. Stanfield) the Secretary of State for External Affairs backtracked. We have heard that the Secretary General of the Food and Agriculture Organization, has lashed out at countries like Canada who are refusing to respond to the most immediate aspect of the problem. The Minister of Agriculture (Mr. Whelan), in Rome, and here at home the Secretary of State for External Affairs, indicated that they are waiting, to put it in the vernacular, to see who else is going to put money on the table before Canada makes its move. In Rome, the Minister of Agriculture apparently expected to see some *quid pro quo* either from the oil producing nations or other nations who might make a financial contribution that would pay for the aid we are supposed to provide during the current year.

Apart from the commitment we have announced for the next three years, if you look at what has happened in Canadian food aid since 1970-71 you will see it is a sorry story in comparison to world food needs. In 1970-71 we gave 1,271,000 metric tons; in 1971-72, 1,663,000 metric tons; in 1972-73, 782,000 metric tons; in 1973-74, 637,000 metric tons; and the expectation for this year, before the commitment in Rome, was 570,000 metric tons. That is not a record to be proud of in light of the current food situation.

I wonder where the government stands, Mr. Speaker. If we can do nothing else in this debate today, hopefully the Secretary of State for External Affairs or some government spokesman will clarify the government's position with respect to immediate food needs. I think Canadians will be flabbergasted to realize that we have talked magnanimously about contributing a million tons a year for the next three years, and then have completely held off making a contribution when it is needed most, that is, during the next few months. It is monstrous to think that people who are starving can hold out in the expectation of food aid 12 months from now. They will not have the capacity to survive that long.

I do not want to speak only about that, Mr. Speaker, although I think it is vital that it be clarified in this debate, but I also want to speak about Canada's general attitude to the World Food Conference. It is an attitude which has depressed me and many members of this House. I think we have seen very clearly, in this conference, a tremendous vacuum of leadership. Major world nations such as the Soviet Union, the United States and China have, for different or perhaps similar reasons, not been able to provide vital leadership to the conference. In potential, Canada has had a tremendous opportunity. In many ways we were the ideal country to provide leadership to the conference. In a sense, we straddle the fence in that we are one of the more developed nations and yet have many of the characteristics of the underdeveloped world, particularly in the utilization of our natural resources and our energy. We are undoubtedly a major world producer and exporter, as well as a major trading nation.

In view of the absence of leadership by the great nations at this forum, it would have been logical if our two ministers and our official delegation at Rome had worked both at the preparatory conferences and during the past two weeks at the final conference to provide leadership on key questions that have not yet been resolved. But what has our leadership done? We have said, in the first instance, that we are prepared to give food aid for the next three years but we are not prepared to commit ourselves for the immediate future. We have said that discussion on questions of trade and development is not appropriate at this forum and should be discussed under the General Agreement on Tariffs and Trade.

In answering questions that I put to the minister on Tuesday and Thursday of this week he seemed to be trying to assure me and other members that if I would only be patient, something beneficial for the developing countries would come out of GATT. If there had been representatives and observers from developing nations in the gallery, I think they would have been shaking their heads sadly to realize that Canada is still committed to an institution which has shown so little responsibility toward freer, fair trade practices in respect of the developing countries. Many years ago GATT was dubbed "the rich man's club". It is basically in response to the failure of GATT to develop appropriate trade relationships with the underdeveloped world that we have had three conferences sponsored by the United Nations Conference on Trade, Aid and Development. Often the shortcomings revealed by the UNCTAD meetings have been the result of the GATT nations only being willing to "talk turkey" in their own forum.

Why cannot this country recognize that we have not yet found an appropriate institutional arrangement through which the underdeveloped countries can develop satisfactory trading relations? The Secretary of State for External Affairs said that he did not think a discussion of these issues at the Rome conference was appropriate, and that we must wait. I find that difficult to understand, Mr. Speaker. The opening speech of the Secretary General of FAO, and the major documents that were prepared for the conference and for the preparatory meetings, offered not only an abundance of evidence of need for restructuring the international economic community, but a series of

very specific resolutions. The Third Committee, entitled National and International Programs of Action, recommended specific objectives and measures in the area of international trade and adjustment which are relevant to the food problem, including measures toward stabilization and expansion of markets for exports from developing countries.

Our responsibility at Rome was to provide some leadership, some link between the underdeveloped countries of the world, who often focused their presentations on the Group of Seventy-seven, the developed nations and those that are oil producing. Canada is almost unique, in that we have characteristics of an underdeveloped country because we export willy-nilly too many of our unprocessed resources as well as a great deal of energy, and we are heavily integrated with the economy of the United States; and, because of our oil producing capability, we have the opportunity to talk to the OPEC countries. But the Secretary of State for External Affairs has told us that in respect of this conference we will adopt a "wait and see" attitude. That is not international leadership, Mr. Speaker; it is the path of least resistance. Indeed, it is the path of the cowardly lion. I shudder to think that our response to the world food crisis so far has followed that path. Canadians will not hold their heads high in regard to our performance to date on the question of the world food challenge.

I hope it is not too late to take action. There will be conferences, in February of next year, of the United Nations Conference on Trade, Aid and Development—UNCTAD—and following Rome there will be ministerial meetings. I hope that our ministers and their officials will review what has been said in this country. I think there is a substantial and growing body of public opinion that is far ahead of this minister and this government with respect to the problem. I believe Canadians expect much more leadership on this problem than we have received to date. When the minister responds today, I hope he will indicate that he is taking the matter seriously. In the last few months there have been outstanding meetings of non-governmental agencies in Ottawa and in regional centres. Meetings of agribusiness organizations have indicated they are prepared to make a commitment. The opportunities are immense for the minister to respond to the appetite for leadership, and I hope we shall see the first evidence of this in the debate today.

● (1250)

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I welcome this opportunity I have to speak on the motion before us which seeks to blame the government and reads in part as follows:

—condemns the government for its failure, both before and during the World Food Conference in Rome, to provide leadership concerning the food crisis facing many developing nations, and calls on the government to give real leadership on this most acute problem of our time—

Mr. Speaker, our judgment of the proceedings at the latest World Food Conference in Rome must not be one-sided. The first question we ask is what has Canada done until now and what should it have done. We must also ask what have and should have other countries done.

[Mr. MacDonald (Egmont).]

That is why it is said that Canada should give leadership or even take the initiative in those matters. Any ordinary and simple man must not aim at doing a giant's work. Without inferring that Canada has done all it could until now, we may assume that it certainly cannot accomplish as much as more powerful countries, because we must remember that its population is only 22 million people and its doings must be related to its size.

As for the needs of underdeveloped countries, no one will deny it is urgent that producing countries offer them help.

When I examine the whole situation, I can see that the main enemy to this aid that all producing countries should be offering to the population of underdeveloped countries is the profiteer. And there is quite a number of profiteers. Mr. Speaker, whether it is an individual, a cartel, a chief of state or even a nation, whoever wants to can find a way to use this aid to make what is known as big money, money which is the economic blood stream of all nations. I believe that in this as in other things, it is still he who controls finances who is often the cause of the atrocious famines which are devastating certain countries.

Mr. Speaker, Canada should concentrate more on the production side and lend a hand to the food industry, expecially agriculture. If we are really living in a favoured country, rich in produce of all kinds, we must stop going against the grain of nature by preventing production, even going to the length of paying farmers to prevent production with the excuse that we will have too much grain and too much beef. The western producers have been paid to prevent them from producing wheat for fear of having too much the next year. Subsidies were granted to egg producers and they were paid to kill chickens because there were too many eggs. Producers in almost every field in Canada are paid to prevent them from producing while two thirds of the world population is starving to death.

That is the ridiculous situation we are living in, here, in Canada. That is why the government should, in future, grant subsidies to that industry par excellence which is agriculture instead of allowing further slaughterings like those which have just been witnessed in my region as a protest against the government. The government should stop granting subsidies to the tune of $100 million and $200 million to multinational corporations and should rather give them to those who produce so that entire populations might live. That is the only way that Canada will be able to help the underdeveloped countries.

May I say that it is one o'clock, Mr. Speaker.

[*English*]

The Acting Speaker (Mr. Penner): It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

[*Translation*]

The House resumed at 2 p.m.

Mr. Gauthier (Roberval): Mr. Speaker, before the House took recess, I was saying that if the government is to fulfill those promises they made at the World Food Conference, namely to supply underdeveloped countries with more grain, they should give Canadian producers some incentives. I know that if we want to double our production, the only way to encourage Canadian farmers to do so is to double farm aid, because we have to admit that if we are going to help underdeveloped countries, we shall only be sending them our surpluses. We know that Canada has production surpluses and can produce more provided production is not being stymied, and farmers are enabled to cultivate every tillable land in Canada.

Today, Mr. Speaker, 40 per cent of farm lands in my area are not being used for agricultural purposes. In view of world needs, I think this is a shameful situation. We are just behaving like cowards in respect of two thirds of the starving people of some countries who are awaiting their leaders' decisions.

Canada has provided them with grain and a certain amount of money, but I believe the greatest need of those countries is for technical help. I was just reading part of a statement in which the minister said, I quote:

> It is therefore likely that the conference will concentrate on the means of increasing food production in developing countries. The conference will however also deal with the necessity to increase world food safety by improving medias and coordinating storage activities.

I believe the major problem of developing countries today simply lies with technical help. We agree that we have to send them food to help them survive until they are in a position to provide for their own needs by themselves. Not only do we have to feed populations for a few months or a few years, but above all to provide them with the means to ensure their own survival. I think we shall have to work harder in that direction in the next few years.

The minister announced in his report that to fertilize the lands in underdeveloped countries, our nation should provide fertilizers and expertise in drainage techniques. I agree with that.

I think that right now those countries are in greater need of water wells than oil wells.

Today all the money is devoted to the oil wells, forgetting the important thing, that is drilling water wells to fertilize the land and allow people to live in a country which can supply them with food and clothing, provided technology enters those countries.

That is what Canada has been doing and can do in the future. I was also wondering what the other industrialized or producing countries were doing. The minister mentioned in his report he would do everything possible as long as the other countries would do their share and also make a commitment, and that is normal. The oil producing countries today do not know what to do with their oil, even in areas of starvation. I suggest the leaders of those countries are criminals and the United Nations should bring them back to order and force them to produce not only oil and arms, but also and more particularly food. I have here an article of *La Presse* of November 12 entitled "I feel war is close." I quote:

> Following the Rabat summit last week Saudi Arabia and a few other oil producing countries undertook to supply annually $1 billion to Syria and Egypt, $300 million to Jordan and $50 million to the PLO for the purchase of arms. That led an observer (cf Times 11-XI-74) to say: "If the United States try to do as much for Israel, their balance of payments will remain in the red forever".
>
> According to Mr. Arafat, the Pentagon intends to do as much for Israel and is currently making haste to deliver huge quantities of arms to them. Why so much money? Why so many arms? If eggs are broken it must be because there is an omelet in the offing.

Such articles, Mr. Speaker, make serious nations shiver. We all are aware of the feeding needs of some people and a war is being prepared with billions of dollars.

The nations which still believe in peace and justice in the world should rise and protest against these things. One will say that they are oil producing countries. If we wanted to use oil today for the sustenance of people, we could do fine things. I read in the *Courrier de l'Inde* in connection with the struggle against starvation:

> Oil proteins should be sold on the market for feed grain, beginning in 1970. A synthetic meat is being developed in the United State from soya beans as well as synthetic milk for human consumption. The congress of the British Veterinary Association is discussing what is called the new era of food.

● (1410)

Mr. Speaker, I believe it would be much more profitable for those countries to get back into this new era of food and to stop playing war, because that is a very dangerous game.

Mr. Speaker, when we look at the other countries, we wonder what they have done with the aid that Canada has given them. Every one knows what has happened in Ethiopia where Canadian gifts have been used by financiers and members of government to line their own pockets.

As for Pakistan, Bangladesh and all those other countries, Canada has taken its responsibilities. The authorities of those countries also have great responsibilities.

I always think of India when it is suggested we send meat to those countries when the people of India still have beef walking around in city streets.

An hon. Member: Sacred cows!

Mr. Gauthier (Roberval): Sacred cows!

Well, I, for one, think that the population should eat those sacred cows instead of letting them walk around in their cities.

I think that world organisations should warn those countries, help them technically and also give them the means to feed their populations.

Mr. Speaker, it is easy to see that in all countries, the governments are sacrificing production to improve their finances and the position of their financial backers.

As I said before, the greatest enemy of all is still financial interests. There will always be people who will think of their financial interests before thinking of saving human lives. While two thirds of the world population are starving to death, those who are holding the purse strings are playing games. The international fat-cat financiers, although they are protected by governments, know that it cannot last. That is why they are looking for an opportunity to provoke a world war to serve their financial interests once again with a deluge of human blood. That is the present situation!

Mr. Speaker, some people say:"It's no use reasoning with a hungry man". The underdeveloped countries are ready to do anything to get a meal a day.

Mr. Speaker, my time is almost gone. In conclusion, I hope that the producing countries will awaken and become aware of the situation in the underdeveloped countries and provide them with assistance.

● (1420)

[*English*]

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I should like to particularly congratulate the mover of today's motion for a statement that set a very good level of debate in this Chamber. I listened to him with a great deal of attention, and there was very little in his speech—a very serious, but moderate speech—with which hon. members of this House could disagree. I think the second speaker for the official opposition, and the hon. member who followed him, also set the tone for this debate concerning a problem we all recognize as being most serious.

On this side of the House we often wonder what the opposition will choose as its subject to present against the government. I think it would have been equally in order for the opposition to have chosen a motion dealing with inflation; they could have talked at some length about the increasing cost of food production and the need for a subsidy on bread to keep the price within the limits of the people of Canada. Their motion could have called attention to the problems of agriculture, and they could have said that the government should do more to stabilize prices to consumers in Canada. That would have been a good and realistic case requiring an answer.

The case of our international responsibility has also been put—that Canada should take the lead in pledging more food to other countries of the world, especially those which have been described in such startling terms as facing famine in our generation. There is no question that the case is good, and convincing. The responsibility of the government is to balance priorities—priorities on the domestic front and on the international front—to meet the total program that is to be presented.

The hon. member for Egmont (Mr. MacDonald) asked a rhetorical question, "Is there a crisis of food production?" Of course, he was very well able to document the fact that there is a crisis. I did not hear him, in the course of this debate—and I regret that I did not hear his previous statement on a private member's motion—amplify his reference to climatological changes which are taking place. This is a subject that has disturbed me and, I am sure, other members of this House. Those of us who have read the works of Professor Reid Bryson, director of the Institute of Environmental Studies at the University of Wisconsin, would have very grave reason to be concerned if just a small fraction of what he is predicting is true.

I should like to call the attention of hon. members to an article that appeared in *Science* on May 17 of this year, volume 184, No. 4138. It is called "The Perspective of Climatic Change," by Professor Reid Bryson. It is written in fairly technical terms and is a paper presented to the American Association for the Advancement of Science. It is not the kind of article which the average reader would be able to digest in terms of the technical discussion, the data, charts and evidence. A much more popular version appeared in *Fortune* magazine in February of this year, by Mr. Tom Alexander. It is entitled "Ominous Changes in the World's Weather". I know there have been prophets of doom from the day of Thomas Robert Malthus, and there have been grave predictions about what is happening in relation to problems of food supply; but many of us have learned that these prophesies of gloom have been grossly exaggerated.

Mr. Knowles (Winnipeg North Centre): It started with Adam and Eve.

Mr. Francis: The hon. member for Winnipeg North Centre (Mr. Knowles) suggests that perhaps these prophesis started in the days of Adam and Eve. I do not think we can dismiss the evidence lightly, and we have an obligation to look upon it. In quoting Bryson's findings, he suggests that we have always assumed in the past that changes in climate are a matter of geological record; they are in the deep and distant past and we do not have to take them very seriously. But Professor Bryson and his institute have, over a period of several decades, carried out very careful studies on changes in the climate in Iceland, careful probes of Greenland's ice-caps, and they have tried to assess over a long period what has happened to our climate.

If there is anything that will send shivers up your spine, it is the reading of some of their predictions. They say that for nearly half of the current century mankind was apparently blessed with the most benign climate of any period in at least 1,000 years. During this kindly era the human population more than doubled, and now there is good reason to believe that the world's climate is reverting rapidly to its less beneficent form. I know that somebody will say at this point, "We have heard that story before," but I suggest there is an obligation to look at the evidence—and the evidence is startling. One of the scholars associated with the team which was considering the long-term trends said:

> One of climatology's more surprising recent conclusions, derived from investigations of sea-floor sediments, is that for at least the past 700,000 years, global mean temperatures have been as high as they are now only about 5 per cent of the time.

Then it is said:

> —sometimes transistions from one major temperature regime to another have taken place with astounding rapidity, often within a century or so.

Bryson attempts something that many scientists say is still unproved; that is, to provide a global hypothesis of climatic change. I am not competent to do justice to it, but the essence of the forecast is that something is happening around the polar ice-cap which is disturbing wind patterns on the surface of the globe. He refers to changes in the monsoon in northern India and to patterns in southern France and the northern deserts of the Sahara. He relates this to areas in which droughts are occurring where they did not occur before, and where floods are occurring where they did not occur before. He puts the thesis to us that we are indeed facing a major diminution in food supply areas of the world. If a fraction of what he says is true, the consequences are most serious. He predicts, for example, that the monsoon will not return to northern India in the foreseeable future. Such a prediction would have incalcu-

lable consequences to large numbers of people in all parts of the world, should it prove to be true or should it prove to be true for a few years only. There is a crisis. We all accept that. I simply call attention to these two articles because I have not heard reference to them, and the evidence presented is not of a nature that we can lightly or quickly brush aside.

The problems of world food production have been outlined by other hon. members. I have a brother who has spent most of his lifetime studying this matter. He is a professor of food technology in a United States institute. I can barely discuss nor can I read his articles and understand them. But in the course of fishing expeditions in the summer, when we get together, he has said that we should consider what is happening to a number of food exporting nations in the world, particularly those that export proteins. For example, Argentina has ceased to be a food exporter in recent years. What has happened there can only be construed as a tragedy. It cannot be construed by many people who know the field as anything but mismanagement of the food resources of that country.

The failure of the Soviet bloc to develop the agricultural technology which would permit it to take its place among the food exporting nations of the world is a tragedy of our times. The potential food producing areas within the political domination of that bloc are equivalent to those of North America. It is to the North American economy that the world is looking for leadership and for supplies of food. I do not think we in Canada should take a narrow, parochial view of the question of the supply of food on this continent. It is easy to say there are certain techniques in North America, and in so doing we may be accused of being continentalists. Every speaker mentions Canadian food production and agriculture as though this existed on its own without reference to patterns of food development on this continent.

● (1430)

I am proud, as I am sure all hon. members are, of the target pledged by the Secretary of State for External Affairs (Mr. MacEachen) when speaking on behalf of Canada at the World Food Conference. Members participating in this debate rightfully have said we should be able to do more. The emphasis clearly is on leadership. We accept that. I do not think anyone in this House would dispute it. We must recognize that there is a very close and intimate association, not only in respect of technology and the means of producing food but also the problems the world faces on a broader front, including the crisis in respect of energy and the crisis in respect of the balance of payments, which is a very serious question; it has caused dislocations in western Europe in countries such as Italy and the United Kingdom.

The spokesman for Canada at the World Food Council—the minister—said, very properly, that it is a matter of long-term, collective planning. We are prepared to accept more than our proportionate share of responsibility because we have the resources and the food capacity; we accept the responsibility because of these facts. We have the responsibility of making sure that our agricultural industry does not follow the lead of countries such as Argentina and others where there has been waste. We must continue to take our place with other food exporting nations of the world. However, I am sure we would be deluding everybody if we were to suggest that a permanent solution of the world's food problems can be found on the basis of the continuous support of large exporters of food to other areas dependent, as they are, in the short term.

I was particularly interested in the reference by opposition spokesmen to world population problems. The hon. member who introduced the subject was careful and I found myself in substantial agreement with everything he said. But he did make one remark which gave me a little concern. I think I know what he intended. He said that the problem is not population but, rather, consumption so far as large areas of the world are concerned. He said Canada should give the lead by consuming less and exporting more.

I think that is a fair statement of his position. Few of us could disagree with that. However, as a matter of practical politics and a balance of priorities which the government must face, I think we must say there is a very serious problem of population in many areas of the world. It is not just a matter of our consuming less. It was a matter of regret to me to read in the record of the world population conference at Bucharest of the failure by large sections of the world and many countries to accept the responsibility that they clearly must accept in our time. The hon. member who introduced the motion said social and economic development and population policies must go hand and hand. We agree, but these must both progress. There is no way in which the planet can continue to support the population being generated in some parts of the world without the most profound and distressing social consequences for millions and millions of people.

Recently I had the opportunity to visit the General Assembly of the United Nations, where I looked at the population commission forecasts. I believe the member who introduced the motion said that 80 per cent or 84 per cent of the really seriously underprivileged people of the world will be found in the Asiatic regions by the year 2000. I have seen forecasts that are even more shocking. Projections must be made on the assumption of increases in population in our country in our time. We have come very close to something like zero population growth in respect of those who are residents of Canada.

I hope we will always provide a haven for those who suffer from problems of persecution in other countries of the world. We have been a country which has welcomed people from other parts of the world and I am sure we will continue to do so, but I think most of us who have given thought to this matter are beginning to say, and some of my colleagues on this side of the House have said, that the world must relate certain things. It must think in terms of its numbers. It must think in terms of policies which relate to those numbers. It must think in terms of its food supply and must adopt—and the difficulties technologically and economically are immense—social and cultural measures which will lead us to a more rational development of our food supply. The world must plan, not only the use of this food technology but also its energy resources in such a way that there is not serious disruption in respect of other nations attempting to pursue the same goal.

I believe we can do more and I am sure we will do more: I am sure Canada will do more in the short-term and in the long-term. I am sure we will maintain an efficient agricultural industry which will be one of the finest examples to offer the rest of the world.

I am sure that in the councils of the nations of the world we will continue to call attention to the many fronts on which progress must be made before the spectre of hunger can be averted in our generation. It was the historian Toynbee, a very well read scholar, who said that the tragedy of the twentieth century was that it had the potential and technology to overcome the ancient scourges of illness, famine and lack of shelter, but it could not find the means to apply them.

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, the motion before us today condemns the government for its failure to provide leadership in the food crisis facing us and asks the government to adopt a trade policy favourable to the future development of countries which are in distress. I am pleased to take part in this debate because I represent one of the great sunshine, food producing areas in Canada, namely, southwestern Saskatchewan. There is growing, worldwide respect for agriculture, and this is as it should be. In Canada we can produce enough food for 60 million people if we go full-out in respect of agriculture. However, in India alone there was an increase in population in the last four years of 70 million people.

We are all aware of the World Food Conference which just ended in Rome. I am sorry to note there were not more firm decisions taken. But now the major grain traders of the world have put off making a decision until they meet in London, England, on November 29 after the regular International Wheat Council meeting. It appears that the immediate need will be for between 185 million and 200 million bushels of wheat in the next 12 months. Canada will be giving away in the next 12 months almost 50 million bushels of wheat. So it is obvious that priority must be given to the agricultural industry and, most important of all, to the producers themselves.

● (1440)

As I said earlier, Canada's food contribution will be mainly in wheat, so I would like to say a few words about this grain. Canada is the largest exporter of high quality bread wheat in the world. Our American friends export more bushels, but it is mainly of the soft, winter variety which is not so well suited to bread-making. Wheat has been connected with the development of man as far back as we can go. A grain of wheat by itself is a small thing, and man by himself is also a small thing. Yet this tiny seed of the grass family changed man's world because, with wheat and bread, he moved out of the cave and was able to control his environment—not be controlled by it. Wheat gave him an everyday food from a grain he could store and plant in a field where he wanted it to grow. Then man went on to live in villages, develop a language and establish laws.

Some men hunted and others planted. With wheat in his hand, man literally walked out of the Stone Age. He went on to build cities and then civilizations. Wheat has a trait denied all other grains. The Egyptians discovered that yeast made wheat dough rise, and this is how they produced bread. The value of wheat was well known in bygone days. In the days when Rome ruled the world, each legionnaire carried a ration of wheat on his back. Wheat was so greatly revered in China that the emperor made the first planting every season. "Bread" was the loudest cry in the French revolution, and Napoléon's generals wept when they discovered that the Russians had burned the wheat fields which lay ahead. Our young visitors in the gallery today will know that war was never started until the harvest was ripe.

I could go on and on, but with all the progress that our grain industry has made, it must be realized that it still starts from a tiny seed in a wheat field. It knows no race, no creed, no colour, no nationality and no politics. However, in Canada we have never been able to separate wheat from politics. I should like to quote the following words from a radio report of the largest grain handling organization in Canada, the Saskatchewan Wheat Pool:

> Recent federal government action in Canada—and in some cases lack of it—came under heavy fire November 12, from E. K. Turner, president of Saskatchewan Wheat Pool.
>
> Speaking at the annual meeting, Mr. Turner said:
>
> "I would like to see the federal budget introduce measures designed to curb inflation, but the interests and priorities of the government appear to lie in other direction."
>
> The president also said pool members, as farmers and operators of a business, "must express our concern about the heavy-handed interference of the federal government".
>
> Mr. Turner is further quoted as saying:
>
> "Now we are finding that, increasingly, marketing decisions are being made by politicians and civil servants. Decisions relative to our own operations are being imposed from outside. Farmers' choices are being limited by government decree".

Those are strong words, but unfortunately they are true. Mr. Ira K. Mumford, general manager of the Saskatchewan Wheat Pool, in reviewing problems of concern to farm people said the following at the same meeting:

> "Excessive public debate about the future grain handling and transportation system and new government grain programs are confusing and unsettling to say the least".

This government seems determined to keep our agricultural industry in a state of turmoil and confusion. Nobody seems to know where we are going. Over the past decade we have been subject to an ideological and political war in Canada over the future of this basic agricultural industry. On the one hand we heard economists conclude from their statistics and projections that agriculture was a poor yield investment and the agricultural industry a dispensable social problem. Quite dispassionately, and on what appeared to them to be perfectly logical economic grounds, they declared both the agricultural community and our wheat industry to be expendable. We know now that that was wrong.

On the other hand, just as scientific and dispassionate in their approach and their arguments were the nutritionists who looked mainly at projected increases in world food needs, and the demographers who studied the frightening rate of increase in the world's population. So on one hand we had a group of experts telling Canada, in effect, to get out of agriculture and into some other, more profitable sphere of industrial output, to cut our heavy social over-

head by guiding people off the farms and into urban centres of industry, and on the other hand we had another group of experts saying, "Make agriculture more technology-oriented, more productive, more widespread, more active, not only in the national interest but in the interest of all mankind." We know now that the latter approach is the correct one, but it took us a long time to get there.

We must make sure what this is all about because, after all, it is people and not institutions and systems that we should be worrying about. The problem in the world today is the widening gap between the demand for food and its production, especially in the developing world. The question is, how did we arrive at this situation, and for what reasons, because all the developing countries are predominantly agricultural and yet find they cannot produce to feed themselves? This, then, is the key question.

I notice that in the motion before us the government is being urged to adopt a trade policy favourable to the future development of these countries. I think the answer has its roots in the past 25 years or so in the western world when we stressed massive development and planning. Most of the money and effort in agriculture has been going into capital investment projects for cash crops for export, so as to earn foreign exchange to pay for imports. In the developing countries most of the staple foods are grown by peasants who were neglected in most of the aid and economic development plans. So the ineviatble happened: when you neglect the staple food producer, food production will stagnate and population and costs rise. Sooner or later the gap causes problems.

That is where we are now, and none of us can escape the worldwide consequences. Hundreds of millions of peasants were drawn into the world's market economy as consumers, not as producers. They were taught to want education, to become doctors and engineers, to want transistor radios, king sized cigarettes and Coca-Cola. Mr. Speaker, we should forget about trying to build up a middle-class hooked on our western standards. These people were not taught how to grow and produce more goods to pay for all the things they had learned to want, nor to feed all the extra mouths better health had brought them.

● (1450)

It is interesting that last night the Canadian Wheat Board stated that of the grain we give to Asian countries, about 20 per cent is spoiled by rodents and infestation. That means that if Canada is going to give up to 50 million bushels of grain per year, at least 7 or 8 million bushels will be spoiled. I assure that grain is worth about $7 per bushel laid down in those countries, which means that about $50 million of the taxpayers' money would be wasted every year. Surely there is an opportunity for the government to do something to correct this situation.

These are several attitudes toward foreign aid, Mr. Speaker. The cynical opinion, of course, is that it is an instrument of international exploitation on a grand scale. Another view is that the rich countries were genuinely committed to providing money to promote development in the rest of the world. We all like to think that the poor countries will seize the opportunities and resources offered and that there will be a dramatic eradication of poverty, ignorance and disease in those countries. Surely the truth must be somewhere in between. The rich countries do have interests other than the welfare of far away people, and the governments of the poor countries are as interested in their own political survival as in economic change.

Only now we are beginning to realize the seriousness of the situation which was spelled out so well by the World Food Conference held in Rome. Farmers should not hesitate to speak out, because they have the biggest stake in the agricultural business. Grain policy must emanate from the farm. The misfortune of other people around the world has helped our agricultural industry in Canada, so we can take no credit for policies developed here. Our agricultural industry has survived in spite of the government's action.

A group of farmers, members of the International Federation of Agricultural Producers, attended the World Food Conference in Rome as official observers but as a non-governmental body. They announced that they were very upset at the way the view of producers were being ignored by the conference secretariat. Mr. Charles Munro, the Canadian president of this international federation, said there had been a marked lack of consultation with farming interests when the conference agenda was drawn up. He said that the people who actually produce food have more right than many governments or economists to make decisions.

The question now, Mr. Speaker, is whether the nations of the world will co-operate in this food crisis, or will each nation see its special advantages as a weapon? Canada must re-examine the priorities and practices of her food production. We have tended to pile more and more plans and papers for the solution of food and population crises on the desks of the overworked civil servants of these developing countries. We need more than glib moralizing. I repeat what the hon. member for Egmont (MacDonald) said earlier: there is a growing body of public opinion in this country whose thinking is far ahead of that of this government.

In conclusion, Mr. Speaker, in the short term, food grain must be rushed to the famine-threatened areas. In the long term, world grain production must increase dramatically. Canada must do her share, starting with some clearcut policies by this government.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I am very pleased to have the opportunity to join in the debate on this important topic. The hon. member for Cape Breton-East Richmond (Mr. Hogan) has done us all a service by raising the matter for discussion. While I do not agree with his criticism of Canada's performance to date, I certainly support his concern that Canada's contribution be as effective as possible.

Canadians have always been deeply concerned with their moral and social responsibilities as world citizens, and have tried to give expression to that concern in ways that are practical, effective and acceptable to the other countries involved.

Our approaches to international aid have involved giving both immediate, practical aid and the kind of assistance toward long term planning that allows develop-

ing nations to improve their capability to handle their domestic food production, and so on.

One good example of this kind of broad approach is our assistance to the six countries of Africa's droughtstricken Sahel region following a study by CIDA. In addition to supplying food and transport trucks, our projects were aimed at solving problems in agriculture, transportation, food storage, stock raising, reforestation and the provision of fresh water to villages and grazing areas. The project to provide 85 wells in 85 villages in one region of Niger was tied in with existing development plans. I think this kind of careful long term planning may be one of our strengths.

The world food conference had a twofold aim, Mr. Speaker. The immediate problem was to deal with depleted world grain stocks, high prices for food grains, the shortage of fertilizers and so on, and next, to deal with the problems in the longer term.

Canada's response to the need for immediate assistance was prompt. The Secretary of State for External Affairs (Mr. MacEachen) announced a gift of one million tons of food grains annually for each of the next three years, and requested other nations to follow this example. A prompt, generous and direct gift of food is a necessary short term solution or answer to an emergency situation; the longer term answer is surely to help nations produce their own food. The $1½ million we granted to Bangladesh to help buy new crop seeds for fall planting, for farmers whose properties had been flooded, was useful. It would have been less useful had it not been made in relation to an ongoing program of Canadian food aid and a knowledge of local conditions, which made it possible to introduce new kinds of winter crops to areas normally left unplanted during the dry season.

I understand that Canada's aid program in 1974 will be about $733 million, including $100 million for food aid and fertilizer. I believe we have attempted to strike a responsible balance between direct aid and helping people to help themselves. Helping people to improve their competence will become increasingly important in the future. I believe this is a role particularly well suited to Canada. We are trusted by the developing nations because we are not a major power and because our commitment to human betterment is well known. Individual Canadians are usually well suited to this role. Anyone who observes this House will of course see that we are very modest and conciliatory people.

● (1500)

Seriously, I think our young people overseas with CUSO, and some of our retired people who have gone to lend their expertise in various projects have been very useful. They have shown their ability to accommodate to local conditions, a respect for local knowledge, and a capacity and willingness to work patiently with a situation rather than impose an alien technology. It has been said that we are going to be asked in the future to lend our best people for projects overseas. I would like to think that perhaps our greatest contribution in the future may be made by giving people expertise rather than direct aid, important though that may be.

[Miss Nicholson.]

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I commend the hon. member for Cape Breton-East Richmond (Mr. Hogan) for reminding us, if indeed we needed reminding, that one of the most vital of the many conferences that seem to proliferate in the world these days is taking place in Rome.

We have a term of reference that I think is somewhat apt, by a great poet, Auden, who said wisely "When truly brothers, men don't sing in unison but in harmony." I hope very much that the results of this debate will mean just that. Although there may be political differences, the harmony that can come from such a debate is a will on the part of the government to do what other speakers have said is uniquely in the capacity of this country to do, that is, to provide the type of leadership the world must have if people are not to starve.

In another context I heard a reference to what must be one of the most cynical phrases of the age, that is, that the world is suffering from compassion fatigue. If I knew more about the method man uses to communicate with others, perhaps I could share with the House some observations about this. Some day it might be useful to have a debate on the fact that we are now almost shock proof. Statistics of death, destruction and famine come to us at such momentum that we somehow turn them off, Mr. Speaker. I am sure that is not deliberate. If it is, it is the end of civility as we know it.

The other what I think must be an obscene part of contemporary man is that although mankind is quite able to find cash for armament, we do not seem to have evolved any system of finding cash for those who hunger.

We have had a fairly careful analysis by the Secretary of State for External Affairs (Mr. MacEachen) and others of the immediate problem. The immediate problem is the real hunger of south-east Asia and the south Sahara region of Africa which, we understand, face a grain shortage of between seven and 11 million tons. We have also had the statistic that 15 per cent of the production of fertilizer in the United States is devoted to what might be called a trivial use, that is, for lawns, gardens and golf clubs. If that could be diverted to assist in growing crops a real impact could be made in countries where there is need.

We realize that those who have the most surely have the greatest obligation to sacrifice the most. Perhaps that is a trite observation, but no one taking part in this debate thinks that any solution can be found without personal sacrifice and also sacrifice by our government and the governments of the other developed countries.

My colleague, the hon. member for Swift Current-Maple Creek (Mr. Hamilton), reminded us of another immorality of the last decade. That was a program known as LIFT. The interesting point is that two privy counsellors mentioned the immorality of LIFT, one a former Minister of Agriculture, the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), and the other, the present Minister of Agriculture (Mr. Whelan).

In his former capacity the Minister of Agriculture—and I quote from a book "Hard to Swallow" by Walter Stewart—spoke or wrote to several members of the federal cabinet from his position in the back benches warning the government of the results of that wrong-headed policy.

The minister is deserving of a great deal of honour for his foresight.

In a debate about hunger we have to remember that wrong-headed policy. There is no point in sloughing it off and saying it did not happen. It was a deliberate policy of the government, which undoubtedly directly affected the lives of a great many of our brothers and sisters in the world.

I wish to comment on something rather unique that has been happening in Rome. Most of those involved perhaps would not wish me to mention them by name, but I want to mention a very helpful combination of the Canadian Council of Churches and the CCIC. They have provided a sort of latter day truth squad for the benefit of all members of this House.

This GATT-FLY organization went to the UNCTAD Three Conference in Santiago. However, at that time it had not developed a means of communicating quickly with members of parliament or, for that matter, ministers. This time the GATT-FLY group were supported by technical people who were the match of the public servants.

I have no reason to condemn the dedicated public servants who serve the government. The problem is that many of us do not have enough access to those public servants. However, access was provided by GATT-FLY. I commend them for their important addition to our knowledge of this subject. They have informed us on a daily basis of what the government of Canada is up to—they have urged us to commend when commendation is due, and they have urged us to get more information when more information was due us.

As a matter of fact, within the past few minutes they have been in touch with us about a rather negative decision made in the third committee in Rome. That went on just as this debate went on. It was, really, a retreat on the part of the developed nations, including Canada, in the face of the draft resolution presented by Mexico. Many of the requests contained therein were turned down by Canada and other developed countries. As a matter of fact, there was almost no reference to terms of trade.

● (1510)

The reference to just prices for exports in relation to imports was deleted. Deleted, too, was the reference to refunding customs duties, as was the specific reference to the maintenance of reserve stocks of basic cereals with the aim of improving market stability. Most of the references to UNCTAD were deleted, while GATT was played up—

Mr. MacEachen: What's wrong with GATT?

Mr. Fairweather: Well, GATT is the rich man's club after all, isn't it?

Mr. MacEachen: I wouldn't have said so.

Mr. Fairweather: So, what has happened is this: there has been a weakening of international economic order, a weakening of the principles enunciated during the special conference on world economic order held by the United Nations last year.

May I add that the GATT-FLY organization has been efficient, and I hope many other reports from time to time will give members of parliament on a cross-party basis the benefit of this latter-day truth squad, as I have described it.

It was my privilege last weekend to take part in a conference at Aurora, made up of churchmen and others, who tried to reflect on the Christian in politics and the theology of social change. We sent a telegram to Ottawa—I do not know whether the minister received it or whether the Minister of Agriculture received it. That telegram was sent as a result of unanimous agreement reached by a broad cross-section of this country.

It was our feeling that the government is to be commended for the initiative shown in the short term but that, having earned this commendation, the government cannot be allowed to hive off its responsibilities on a world food board, for instance. We also asked for long term solutions to be integrated into measures for economic reform, perhaps by the United Nations. Obviously, we lost that wicket because now we see what happened to the resolution proposed by Mexico. The result leaves much to be desired.

I suppose we all have various ways of manifesting our love for our country. I think it is right that each of us has an individual way of evoking what Canada means to us. The test I have for this country—and I hope many of my colleagues share this feeling—is how we treat our fellow men, or our fellow humans, to put it in the contemporary vernacular. Mr. Speaker, there has not yet come from the Rome Conference, and I am sorry to say this, any sign that Canada is able to meet the test of treating our fellow humans with civility and compassion. This, I regret very much.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, my intervention in the debate following that of the hon. member for Cape Breton-East Richmond (Mr. Hogan) and the hon. member for Egmont (Mr. MacDonald) will make it rather ecumenical now. Perhaps, though it was not designed to be that way, it does have its own kind of symbolism, because what we are really talking about is not so much an agricultural, or even a food problem, supposed to be the substance of the debate today, but rather, a moral issue. In many ways it is the central moral issue of our times. The question is: to what extent are we as a people, as individuals, as a nation, prepared to move away from our own self-centredness and start thinking of others?

I was interested listening to the remarks made by the hon. member for Ottawa West (Mr. Francis). I always enjoy his contributions, and I would like to reply to some of the things he said in the serious way in which everyone is discussing these serious problems today. On the question of government priorities the hon. member pointed out, and it is true, that government has all kinds of priorities in the same way that people have all kinds of priorities. There is inflation that they are worried about; there are priorities with regard to employment. But how do those priorities really compare with the priorities being faced by millions of people in the world who are nearing starvation?

In our society we have become accustomed to taking each other apart about things which, at best, are merely increments to our already high standard or living. When you place the problems we face against those faced by much of the rest of the world, certainly our difficulties pale by comparison. Can there really be any question of juggling priorities when so much of the world is facing death from starvation? Is it not time we realized that there is one central priority—our responsibility to other human beings? If that means there must be some belt-tightening in this country, if that means we have to slow down somewhat the rise in our standard of living, surely this is what we as human beings, we as a nation, must be prepared to accept.

There has been a reference to Toynbee, a writer many of us have read, and his contention that though it is within our power to put an end to hunger and many of the diseases which afflict mankind, we have yet to devise an effective technique to achieve these ends. The great failure of modern society has been its failure to find this technique. Toynbee's solution is a return to religion. But if you want to take it in a broader sense, what Toynbee is really suggesting is a return to morality. Now, for many, religion has lost its hold, but surely the basis of religion, the idea of morality, has not lost its hold and should not lose its hold on the western world.

● (1520)

It is true we can do all these things mentioned by Toynbee, but we have to see this as a moral issue in order to meet the challenge we face. The hon. member for Ottawa West said that we had to plan the use of the resources of the world. We do not even plan the use of our own resources in this country, let alone plan the use of the resources of the world. We must make a start on planning within this country, particularly in the agricultural field.

Traditionally when we considered the problems of agriculture and food supply it was always in this kind of setting: either we have viewed them from the viewpoint of the consumer—how we can keep food prices down, or how we subsidize consumers; or we have viewed them from the point of view of the producer—will over production affect prices, will the producer be disadvantaged, what is the trade-off between the consumer and the producer?

It seems to me that a third element has now entered into this debate. We can no longer look at agriculture exclusively from the viewpoint of the price paid to the producers by the consumers. We have to look at it from the viewpoint of all out production in order to prevent a great many of the people of the world from starving. This is the kind of approach we should now take to agriculture. This is the kind of planning we must do in our own country before suggesting that the world should also plan.

When you look at agriculture in those terms, you get an entirely different perspective. I think we have made a decent gesture at the food conference in offering one million tons of grain a year. That is a start. But even if we give more—and I think we should give more—and start to plan now to bring more land under cultivation, and to employ our technology better, there are many people who say that we are too late, that regardless of what action we take now the problem is so severe we will be unable to produce sufficient food to head off starvation.

Knowing that there is a distinct possibility that we may well be too late and that starvation will occur despite our best efforts, we are faced with a situation where we must do everything we possibly can, not because we alone can stave off starvation, not because we can eliminate it entirely, but because we have to live with ourselves and to ask ourselves what we did to alleviate the situation confronting humanity. And we must come up with an answer that does not offend against humanity.

In formulating a new agricultural policy we must think in terms of meeting the world's needs. I do not know that our traditional methods of farm or consumer subsidies are going to be appropriate. It seems to me we cannot ask the farmers to bear the cost of our generosity toward humanity. The farmer is, of course, a member of society and will bear his share, but this is a cost that has to be borne by all members of society, not one particular group.

We must guarantee to the farmer an orderly marketing system for his products, rather than let the farmer produce products he cannot sell and thus go into bankruptcy. Today there is a market for food, but there are not many people who can afford to pay the market price.

At the same time there must also be a willingness on the part of society to reduce consumption. The other day I introduced a private member's bill which would amend the Criminal Code to make the destruction of food a criminal offence. Many people have asked me where you stop. The bill appeared to be pointing at the farmer. I was not pointing at the farmer but to society in general. I was pointing to the fact that in a world where people are dying of starvation it is wrong to destroy food. It is wrong to destroy food in order to increase one's own benefit. That was the principle I was trying to establish.

People came to me and asked me what I was going to do to a man who orderd a huge dinner that he could not possibly eat, and then sent it back because the food did not have the right sauce on it. I was asked whether my bill would send that man to jail for destroying food. It is patently impossible either to send that man to jail or to send anybody else to jail in such a situation, but it is not impossible for society to say that such a man is committing a wrong. The fact that he can afford to send back his steak does not give him the right to destroy that food, food that would sustain life somewhere in the world.

This is one of the issues society has to face, and it is one of the lessons we must teach ourselves. In the course of debates on this subject people hesitantly ask, perhaps with the best of intentions, whether it is not their own damn fault that these countries are short of food. I do not think any member of parliament would make the point in quite those terms, but that was the implication of what was said. People would say: "These countries have too many children and are not practising birth control. They are ignoring the advice that we give them. They are letting food rot and spoil. There is a lot of corruption in their society, so isn't it their own damn fault?"

No doubt there is fault somewhere, but the point is that we are destroying much of the food that these people need. This is no time to lecture people. We used to do this with

our own poor. I can recall some hesitant ventures in this regard when we were talking about elderly people who reached their old age without a pile of money in the bank. It was said that it was their own fault because they did not save their money while they were earning. Or it was said of someone who was ill that he should have been more careful and not had his accident. Or it was said of someone who had more children than somebody else approved of that is was their own damn fault to have so many. Now we no longer point this kind of accusing finger.

We have now reached a level of understanding. We appreciate that when we eliminate some of the disadvantages experienced by these poor people we do not have to lecture them about birth control or about saving money; they respond in their own way.

The underdeveloped countries make the excellent argument that you cannot deal with their social problems by lecturing them; you can only deal with them by finding some way of giving them a sense of security and support. To some people who live in underdeveloped countries, having children is security in their old age, particularly when they know that famine might take some of their children away. To tell these people not to have so many children is to take away what to them is social security. Until we can tell those people that if they get sick, or that when they get old there will be support for them from the western world, we are not going to change the pattern regarding family size.

● (1530)

As much as we talk about what we are going to do for other people, we also talk about what we are going to do for ourselves. I do not really believe that our society is going to sleep well if it knows it has not taken action to prevent human starvation. I do not see how we are going to have a society of affection, respect and love when we narrow this to our own boundaries or our own families. Whatever we do, and it may appear on the surface as a form of generosity, we are really doing it for ourselves as well. We do have an obligation to others and to ourselves to do everything we can in food aid to stave off a disaster that is facing the world.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the motion before the House is:

> That this House condemns the government for its failure, both before and during the World Food Conference in Rome, to provide leadership concerning the food crisis facing many developing nations, and calls on the government to give real leadership on this most acute problem of our time by increasing its commitment of food and other agricultural assistance to such nations and by adopting a trade policy favourable to their future development.

I believe the hon. member for Cape Breton-East Richmond (Mr. Hogan) deserves to be congratulated for bringing the question of the World Food Conference and the world food crisis before the House of Commons, and in that commendation I am sure I am supported by other members of the House. However, I must confess that I find the language of the motion in that context excessive, irresponsible and uninformed.

Some hon. Members: Hear, hear!

Mr. MacEachen: Apart from the argumentation that may have been produced in the debate the resolution seems intended more to berate the government for its failure to feed the hungry. I do not accept the suggestion that the Canadian government, before the conference, did not pay appropriate attention to the seriousness of this issue. In fact, my predecessor, speaking this past winter before the Standing Committee on External Affairs and National Defence, and again when he addressed the United Nations General Assembly in special session in April, identified the food crisis in the world as being of top priority.

From the first meeting of the preparatory committee of the World Food Conference last February, Canada has been very active and has participated in all of the important preparatory conferences. Our ambassador in Rome has been given special responsibilities in attending the preparatory meetings in order to express Canadian concern and advise the Canadian government as to developments.

A special task force was set up within the government in February to prepare for the conference. The deputy secretary general of the conference was in Ottawa in May for intensive discussions on how to get the best results out of the conference. I attended the final part of the agro-industry meeting in Toronto which took place under the auspices of the World Food Conference, consisting of a wide group of the executive and agro-industry people throughout the world, for the purpose of determining how they could contribute to the results of the World Food Conference.

The Minister of Agriculture (Mr. Whelan) held discussions with all the provincial agriculture ministers on this problem in July, and out of that conference came a decision to name two provincial representatives to the World Food Conference as members of the delegation, one of whom is the minister of agriculture for Saskatchewan. I doubt whether he would share the language that is found in this motion as a commentary on the attitude of the Canadian government.

Federal officials have travelled from one end of Canada to the other to brief provincial governments on the issues, and to advise them on how we saw the conference developing. As hon. members know, the Prime Minister (Mr. Trudeau) and his provincial counterparts discussed the world food situation at the recent conference on inflation, and they agreed on the necessity of close federal-provincial co-operation in ensuring that Canada plays its full role in helping to meet the emergency and the long-term situation.

We did have a good delegation in Rome composed of representatives of the public service, ministers from the provincial governments, members of parliament who attended all delegation meetings and, as hon. members who spoke earlier know, persons from non-governmental organizations.

I did attend the first week of the conference in Rome, and I should like to convey to the House the impressions I formed during my short stay about problems of food and malnutrition in the world. We are all acutely aware of the dimensions of this problem in the world, and of the many difficulties in the way of solving the problem and elimi-

nating hunger in the world. If there is any doubt about the difficulties that have been implied and disclosed in the proceedings at the World Food Conference, I am ready to say that the week I spent in Rome has convinced me, beyond any doubt, that the problems are even more acute than we suspected, and I think now demand an unprecedented urgency.

When I left, the debate was still continuing in the plenary session and the committees had just begun their detailed work. But I can say, apart from reporting on the results of the detailed work, which I am unable to do, that a general consensus did emerge at the conference on the urgency of the problem and the necessity of immediate measures to deal with it.

Again on behalf of the Canadian government and the Canadian people, the Canadian statement at the conference outlined the measures Canada intends to adopt to share common endeavours toward a lasting freedom from want for all mankind.

Our position can be summarized in seven points, and I believe they ought to be put on the record in light of the importance of this debate.

First, Canada is prepared to accord a high priority in its assistance program to the agricultural development of countries which are mobilizing their own resources to increase food production. Let there be no doubt about it, Mr. Speaker, that even with the best of goodwill and with the most vigorous efforts on the part of the developed world there is no way by which starvation in the developing countries can be overcome without the acceleration of food production in the developing countries themselves. There is no doubt about that.

● (1540)

Even if we did have food in the developed world in millions of tons in the future there is doubt whether it can be transported or distributed to the needy people in light of projected population increases over the next period of time. The Chinese delegation, speaking at the conference, said, "Do as we have done; feed yourself". In a sense that was good advice, but it certainly was no answer to the critical short-term food shortage in the developing countries.

Second, Canada will do what it can to mitigate shortages of agricultural input in respect of such things as fertilizer, and will see to it that access to these is maintained internationally on an equitable and non-discriminatory basis. Reference has been made to fertilizer. It is an essential input. Earlier this year, before the Rome food conference, we did commit an additional $100 million to food and fertilizer. I think $43 million of that has been spent on providing fertilizer, but we are limited in what we can do because we do not have, for distribution abroad, the nitrogenous fertilizers which are needed in the developing countries.

Reference has been made to potash. Potash is not wanted. Therefore, we are not able to help in that direction. Rather, Canada intends to play its full part in the accelerated programs that we are asking the competent agencies to devise to make a sustained attack on the problem of malnutrition, particularly among children and other vulnerable groups.

[Mr. MacEachen.]

It is to be underlined, as one of the saddest pieces of information emerging from the conference that 200 million children and nursing mothers are malnourished at the present time. That problem has not been highlighted very much, but we have said to the United Nations agencies, to UNICEF and others, please take note of this problem of malnutrition and we, as a government and as a country, will be prepared to support your efforts in tangible terms in order to reduce this problem of malnutrition.

Fourth, Canada has committed itself to making available, in each of the next three years, an average of one million tons of foodgrains toward a minimum world target of 10 million tons for food aid purposes. We have also committed ourselves to a significant increase in the non-foodgrain commodities which we allocate to food aid. We have agreed to channel some 20 per cent of our total food aid through multilateral food programs such as the World Food Program. All these were proposals put before the conference by the secretariat. I regret to say that in the first week of the conference relatively few countries made any effort to respond directly to the proposals that had been put before the conference by the Secretary General, the former minister of agriculture from Egypt.

Mr. Gillies: Why?

Mr. MacEachen: Why? That is a good question. I wish I knew the answer. Very few countries did. I hope to reach what their commitments were and possibly compare them with the Canadian commitment. I agree with hon. members who have said we ought to be generous, forthcoming, and show our humility in Canada, but when we do that in a responsible way let us not denigrate what we have done.

Let us take the responsibility for telling the Canadian people what the Canadian response has been. In respect of the 3 million tons, 1 million each year, in volume terms not in dollar terms, the Secretary General pleaded with the world community at the conference to please commit 10 million tons per year in volume terms, as a minimum for the next three years. We committed one-tenth of that, which is more than our proportional share, in the expectation that that would induce other countries possibly to come forward and increase the total commitment beyond that 10 million tons. That is the benchmark against which we were working—the proposal made by those who prepared for the conference.

Let us not underestimate the financial consequences of that commitment. One million tons of wheat, at at least $200 a ton, each year will cost us at least $200 million. The reason we have asked to make it in dollar terms is to ensure that the wheat goes forward regardless of the possible increase in the price of wheat in the next few years.

Mr. Stanfield: Dollars or quantities?

Mr. MacEachen: I am sorry; in quantities.

Mr. Hogan: Why do you say that the 10 per cent is more than our proportional share?

Mr. MacEachen: It is very difficult to get an acceptable measurement for all. It seems to me that, when giving our initial response, we were entitled to consider the request

that had been put before the conference by the Secretary General who had asked all the world to please give, as a minimum, 10 million tons per year for the next three years. We took 10 per cent of that. Surely on any count that is more than proportional to the financial resources of Canada in its position in the world. This was so recognized by the conference itself.

It is reported in the press that the Australian delegates immediately sought instructions from Canberra, from their Prime Minister, to match the Canadian contribution. The Secretary General of the conference publicly stated that the statement made by the Canadian delegation was a turning point in the conference itself.

Some hon. Members: Hear, hear!

Mr. MacEachen: This statement was also made by the developing countries. I am talking about people who were in Rome, not people who have not been in Rome and who are judging the conference by a very fragmentary and, in some cases, inaccurate report.

Mr. Fairweather: Would the minister answer a question?

Mr. MacEachen: When I finish my speech I shall be happy to permit a question. We are talking about Canada's commitment. We are talking about the fact that it was regarded as the turning point in the conference, so stated by the Secretary General, and so stated by the newpaper put out by the non-governmental organization to which my hon. friend gave such praise. This newspaper states about the Canadians:

They've come up trumps . . .

Canada and Australia put their money on the line yesterday during speeches in the Plenary . . .

The Canadian Secretary of State for External Affairs, Mr. Allan J. MacEachen, started the ball rolling in the morning session . . .

I refer to another editorial comment that was made by the Christian Science *Monitor*, because it was referred to at the Rome conference by one of the most distinguished columnists. That editorial stated:

Canada is to be commended for its pledge at the World Food Conference to boost its food aid to hungry nations by 20 per cent in the next three years.

● (1550)

In fact, in terms of volume the commitment next year to the world food need is double the commitment we have made this year. The editorial went on to say:

Hopefully, this initiative will meet vigorous response from other nations as well.

If I may, I would like to refer to a very interesting report that was on the CBC this morning, made by a correspondent from the BBC, who is attending the conference in Rome, and who is on the spot. This commentator said:

Canada has succeeded in making a very favourable impression in spite of the criticism being voiced in the Canadian press at home. She has been one of the very few countries to make specific pledges, both of aid and cash. One million tons of grain a year for the next three years and $50 million for agricultural development. The Canadian agricultural minister, Eugene Whelan, has been one of the few ministers of cabinet rank to stay in Rome for the whole fortnight of the conference . . . A group of 32 most seriously affected countries which got together earlier in the week, spoke approvingly of Canadian attitudes.

Mr. Fairweather: So did we.

Mr. MacEachen: I am delighted that the hon. gentleman disassociates himself from the resolution which seems to condemn the government for its performance at the Rome Food Conference.

Canada has endorsed the principle of a voluntary undertaking in world food security, and will become a party to it when the necessary arrangements have been worked out, Mr. Speaker.

Sixth, Canada supports, as it has long suggested, a general freeing of trade in food products and will press this objective and other benefits for the trade of developing countries in the forthcoming multilateral trade negotiations in Geneva.

I am happy to say that despite the charge levelled earlier today that the Canadian delegation was filibustering and that we were not taking a helpful attitude in committee III, today the world conference in committee III has completed its work and reached unanimous agreement on grain measures. It is a reasonable text, and the Canadian delegation has played an active part in reaching this good result which will lay a foundation for the detailed negotiation that will take place in the upcoming discussions at GATT.

Mr. MacDonald (Egmont): You don't even believe that yourself.

Mr. MacEachen: Surely the developing countries, which unanimously agreed to this resolution, are in a better position to determine their own interests than is the hon. member for Egmont (Mr. MacDonald).

Finally, I want to conclude the point form presentation of our position by saying that Canada announced its decision to allocate at once $50 million of our development assistance to be used in ways that will make an effective impact on the present critical world food situation.

My hon. friend has asked: what about today, what about the current situation? Of course it is a critical situation. Up to the present we have committed more than 600,000 tons of grain for this year. The problem that has been bothering the people at the conference is the basic one of supply, the determination in the next months about what is available in the world in the way of supplies of grain in order to meet the requirements in the developing countries. We have participated in that exercise to determine what is required.

It is estimated that we have an amount of 1,300,000 tons which could be made available. It is obvious to hon. members that for Canada to finance in this current year, in addition to 600,000 tons, an additional 1,300,000 tons is an enormous commitment ot undertake at this stage. What we have said on this point is that we have already put forward $50 million that can be used for food aid in the current year, and I have been informed—but I would like to check this information further—that we have completed further allocations at the conference, among needy countries at present, from this amount. However, I would like to make sure that that is absolutely right.

So we are not finished yet, and I hope hon. members opposite will believe that there beats in our souls, as energetically as in theirs, an interest in this problem, and that the love of humanity does not only exist on the other side.

Mr. Fairweather: Nobody said it did.

Mr. MacEachen: We demonstrated our intentions, our proposals, in a more concrete way than any other nation in the world. The hon. member for Cape Breton-East Richmond asked, "But what is the standard?" Perhaps he would accept Sweden as a standard. The NDP has always been applauding the great social system that exists in Sweden. It is a country that has a higher per capita income than Canada, and yet I think that our contribution compares favourably with that country's. Sweden has committed to make available, on call each year, a substantial amount, 75,000 tons of grain.

An hon. Member: How much grain do they produce?

Mr. MacEachen: I would remind the hon. member that you can supply grain or you can finance it. There are two ways to do it. So let him not hedge the situation by that comment. If we go down the list of donors we find Iran, Saudi Arabia, Poland, the European Economic Community, Norway, Austria, and if you compare their creditable showing and ours—and I do not for a moment take anything away from them—Canada has shown leadership.

It is false to say that we have failed to give leadership at the conference. It is true to say that if the leadership provided by Canada had been followed, and its contribution matched by other countries, the conference would be adjourning tomorrow with a much greater message of hope to the starving people of the world then they will be given when it concludes tomorrow evening.

I want to say, as I said to the non-governmental organizations when I met them in Rome that this is only the beginning of the effort, because it is an effort that will engage the attention of mankind probably for the next decade, to feed the starving people of the world.

● (1600)

I regard the problem of hunger as great if not greater than any of the other global problems. I assure the House, particularly any hon. members who may have been uncertain, that the Canadian government is giving leadership and will continue to do so—leadership that might not be applauded by hon. members opposite but which has received plaudits around the world.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. The hon. member for Fundy-Royal (Mr. Fairweather) wishes to ask a question. The minister completed his speech at the moment his allotted time expired, so the question can only be asked with unanimous consent. Is the minister willing to accept the question?

Mr. MacEachen: Yes, Mr. Speaker.

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

[Mr. MacEachen.]

Some hon. Members: Agreed.

Mr. Fairweather: Mr. Speaker, I wanted to give the minister time to cool off.

Mr. MacEachen: I am cool.

Mr. Fairweather: There was no indication of it.

An hon. Member: Somebody had to speak out for Canada.

Mr. Fairweather: There are quite a few Pharisees here, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Well fed ones, too.

Mr. Fairweather: Mr. Speaker, I wanted to be sure that the minister had an opportunity to correct the impression which I think his speech left, that the GATT-FLY group here in Ottawa and in Rome did not give accurate information. That was the charge made by the minister, or at least that is what I took from his speech. I would hope that the minister would want to dispel that impression.

Mr. MacEachen: Mr. Speaker, I appreciate the hon. member giving me the opportunity to clarify the situation. I have no way of knowing what information the GATT-FLY group conveyed to Canada. I am not suggesting they were the source of any inaccuracies. I was referring to reports that have been made here and there—for example the report about filibustering by Canada in the third committee, which I regard as an inaccurate report. That is what I have in mind, not the NGOs.

Mr. Arnold Malone (Battle River): Mr. Speaker, the World Food Conference in Rome has come and gone; previous to its commencement some 12,000 people per day were dying of starvation. With the conference over, 12,000 people per day will continue to die of starvation. While the government can accept some small pride for its efforts, it is cocooned in a notion that it really did something, that it took some small steps. I have to underline the word small because although the leadership it claims may be apparent to it, the fact of the matter is it did almost nothing to solve the world problem of hunger.

The pre-planning conference committee had three points on its agenda—first, to increase food production in developing countries by at least 35 per cent by 1985; second, to improve distribution to make consumption more equitable and third, to establish food reserves as insurance against crop failures and other disasters. United Nations Secretary General Kurt Waldheim opened the conference by asking for a double onslaught by all countries on world hunger. The fact of the matter is, Mr. Speaker, that our contribution is nowhere near the kind of commitment requested, or the kind of commitment necessary to cope with the problem at hand.

We can note four or five points of criticism of Canada's participation at this conference, Mr. Speaker. First, there is not enough aid; second, there was no argument for an adequate structure for the distribution of aid throughout the world nor the leadership to encourage such structures; third, little was done in terms of helping developing coun-

tries to provide for themselves; fourth, little has been done to ask us to change our lifestyle in terms of food consumption; and fifth, there was little or no suggestion that Canada ought to be increasing her present food production.

Let us look at some of the things we have given the developing countries. It would seem we have given them one slice of bread every five days. According to international experts, by 1985 the poor countries of the world will need 85 million tons of grain per year from the developed world. It could well be they would require something in excess of 100 million tons of food or cereal grains per year in less than a decade.

Even if such an amount were available, it could not be moved, Mr. Speaker. One of the things this conference can be criticized for is the lack of planning for the transportation of foodstuff around the world. We should remember how our ports and railroads were fouled up when Russia bought 15 million tons of grain from us. Canada has failed to show leadership by not suggesting discussions on the problems of transportation, or giving any commitments in that area. Even if we had enough grain there would still be a problem because it cannot be transported.

Even before the problem of transportation, there comes the question of whether we can grow enough grain. Little has been done to encourage improved agricultural production in Canada or in the developed world. The minister did suggest that aid be given to those countries that have shown the greatest degree of mobility in agricultural production. That might seem like a good arrangement at first sight, but really those are the very countries that do not need the food as much as the less developed countries. Starvation is not occurring in those countries that have mobility in agricultural production. That is where the minister suggested our aid should go, but that is not at all really giving in the true sense of giving.

The minister also pointed out that we would be doing more trade with cereal grains under GATT arrangements. One has to question why GATT is involved in the situation at all in view of who the aid recipients are, Mr. Speaker. They are the peoples who spend 80 per cent of their dollar on the purchase of food. Should food be supplied by the developed countries under the protection of GATT? In a sense that is not giving anything at all; it is simply another ploy to use the poor to reap wealth for those who already have.

Kurt Waldheim said we have to double the onslaught on world hunger. We are a long way from that, Mr. Speaker. We are something in excess of 22 million tons short in food reserves at the present time. Food production must greatly increase, yet we see very few incentives for what ought to have taken place.

● (1610)

One of the real situations in which we must see a change is in the concept of world structure. We have talked about aid, but we really need to have a world structure that talks about food, distributed through a system such as a world food bank. Only to give aid away is simply a short-term plan, and not a leadership position. We need something like a world food bank that has a long-term assurance of food and the other advantage, avoiding political ties on a bilateral basis.

If there is anything we need it is something that parallels the International Development Agency of the world bank which allows us to collect on a world basis foodstuffs to feed the hungry and distribute them without any political association on a priority basis according to the needs of people.

That was not the government's commitment at the conference in Rome. What it is telling us is that it is going to be giving food to those who have shown the highest degree of mobility in their own agriculture. I suggest that that will not do very much to lower the rate of starvation and malnutrition as it is presently experienced on the planet earth. The situation is extremely serious. In this debate today we are not just talking about the situation that exists at the Rome conference. The motion before us states:

> That this House condemns the government for its failure, both before and during the World Food Conference in Rome—

The key words are "before and during." We have experienced LIFT. It would have been more appropriately called GOOF.

Some hon. Members: Hear, hear!

Mr. Malone: How in the world could we possibly have had an agricultural policy in this country within the past three or four years that talked about not growing grain? Surely the relevant figures have been before us for something in excess of two decades. Scientists have told us for a considerable period of time what was going to happen, yet in this country, in 1974, we find it acceptable to bury millions of surplus eggs and kill cattle in protest.

The government has not taken the full responsibility before or during the food conference in talking about the need for food and giving it to those who need it most. The situation is extremely serious.

Another area we heard nothing about at this conference, either before or after, concerns what is to be the Canadian or North American role in terms of our consumption of food. That is a question that needs a response. The fact of the matter is that one of the very critical factors that affects the supply of food in the world today is the amount in excess of their need that people in the developed countries are consuming.

One piece of research states that economists and food experts suggest that probably the central theme of the World Food Conference ought to be that Americans and other affluent people had better eat less or face the confrontation of half a billion hungry people.

To give an example, the United States spends more money on pet food than on foreign aid. And I am not going to suggest that Canada is very much better off. We also see other situations. More money is spent in North America putting fertilizer on lawns and golf courses than is used in the whole third world.

With these kinds of problems it is not enough to go to Rome and make a promise. This is a case where we must have a personal commitment; it has to be a commitment *from* us. We cannot maintain that our standard is right

and that we will help only to the extent of our own comfort. If we are to be at all giving, we must give of ourselves as well as giving tangible objects.

North Americans consume directly or indirectly five times as much cereal grain, a principal source of protein, as the average citizen of Latin America, Asia or Africa. When we talk about aid it is important that we do it in terms of reducing our own consumption of food. Putting it in perspective with the minister's statement today I wish to share with this House information that shows the smallness of our commitment in Rome.

It has been estimated that if Canadians ate one less hamburger per week, one million extra tons of grain would be available to feed an additional five million people. The commitment the Canadian people gave in Rome was equivalent to one hamburger per week. I suggest that is a pretty trifling contribution to make to a world that has needs that are so great.

I have tremendous respect for the hon. member for Cape Breton-East Richmond (Mr. Hogan). I respect him for bringing this motion before the House. I differ with him on one position he took. He said that population is not the problem, it is the people and their rate of consumption. To put it in a more correct perspective, consumption has to be seen as very important, but paralleled with it must be the population explosion.

If consumption is the problem, who is it that is consuming all this stuff except people? Obviously it has to be a people problem. The hon. member quoted from *Scientific American* to illustrate his point. Another article on page 43 states, and I quote:

> In accordance with the same law of geometric progression, the human population has reached its present size through comparatively few doublings. Even if we again assume that humanity began with a hypothetical Adam and Eve, the population has doubled only 31 times, or an average of about once every 30,000 years.

The fact is we now know that population doubles every 28 years, even though the historical average is something like every 30,000 years.

I suggest that at the conference of Rome there is not enough talk about incentives for decreasing population, or at least stabilizing world population. There can be no hope for humanity if we do not reverse the trend of filling the earth plumb full of human beings. The balance of the ecology simply will not accept that kind of filling up. The earth cannot support it. One of the things that must happen is that we must accept a whole new attitude about food.

I have asked questions of the Minister of National Health and Welfare (Mr. Lalonde) about whether there was ever to be a guaranteed nutritive analysis attached to human foodstuffs. That question has relevance because of the fact that when we go into supermarkets today to buy weiners or bologna, we assume we are buying protein. The fact is in many cases we could buy cheaper protein if we bought roasts or steaks.

It becomes important that we put nutritive values on foods because we need to start educating people to think differently about food. The sale of food products is based on taste, colour and style. We have to realize that the food shortage we talk about in the world is not really a general food shortage. There is enough carbohydrate to go around.

What this world is experiencing is a protein shortage, and a transportation shortage. There is not enough protein; there is not enough transportation.

The government must ask Canadians to set the example. Canadians should be asked to change the amount that they use in luxury foods for pets. The amount we throw away or waste each year is enough to feed a major portion of those who are starving. When I say we, I mean all North Americans. When you note that the United States spends more money on pet food than foreign aid, something is seriously wrong.

Something else that is critical when talking about the "before and after" of this motion is that the government has done virtually nothing to preserve the resources that allow us to produce food. There are only two sources for the production of food, soil and water.

All across this country we see the deplorable situation where acres upon acres of high quality food-producing soil are being taken out of production. The federal government may suggest that is a provincial responsibility and that it has no obligations in that field. However, that is not so.

● (1620)

I give just one example out of a large number which might have been chosen. A decision was taken to build a satellite airport encompassing 1,445 acres near the community of Villeneuve, North of Edmonton. Three sites were available. The site chosen covered 50 per cent class one soil and 45 per cent class two soil. Mr. Speaker, many countries in the world do not have class one or class two soil. An alternative site was available three miles to the west which would have used class five and class seven land only—class five soil is non-improvable pasture, and class seven is non-agricultural.

Every year in this country large tracts of agricultural land are being removed from production to the extent that by the turn of the century it is estimated 50 per cent of the highest grades of soil will have been destroyed. At the present time there are virtually no incentives forthcoming to reverse this trend. How serious is it? According to soil science professors at the University of Alberta it is serious to the extent that, if the present trend continues and if the Canadian population doubles by the year 2,000, as predicted, this country will have great difficulty in feeding itself, let alone building up reserves of grain to distribute to the developing countries.

To give another example. In the last seven years the City of Edmonton has expanded over agricultural land, 19,438 acres of which were in the top two soil classes. That amount of land would easily have raised 80 million bushels of wheat over the next hundred years. I speak in terms of a century, but the anthropologists tell us that man has been on this earth for some 50,000 years. I am sure that cities would not be allowed to spread over this kind of acreage if, underneath the land, were tarsands, nickel, iron ore or any of the other resources we consider to be of value today. There is simply not enough attention being given to food production in this country and in the world generally. This, also, is a subject which calls for leadership.

In summary, while I realize the government would like to take pleasure and pride in what has been achieved so far, I do not believe it can properly do so. The minister

said that the mover of this motion used language which was excessive, irresponsible and deplorable. I would reply by saying that anyone who reads today's *Hansard* will realize that a lot of information has been put on record today. It certainly was not irresponsible to show concern for those in the developing countries where between 400 million and 800 million people are suffering from malnutrition. And it can hardly be called excessive to ask that more should be given, when the pets of North America live in circumstances far better than any which exist for the greater part of the human community.

The cause is mankind; the need is great. The country must go beyond platitudes and talks concerning agreements on tariffs and trade, if it is to show leadership. We cannot expect people who have nothing to get their food through trade arrangements with the rich. I think that the government's position is deplorable, is excessive, and that it is irresponsible.

Mr. Ross Milne (Peel-Dufferin-Simcoe): Mr. Speaker, it is a pleasure to put forward a few points of view in this debate. I had intended to begin by congratulating the hon. member for Cape Breton-East Richmond (Mr. Hogan) for expressing his concern on this subject, and for bringing this matter to the attention of the House. I must say, though, that I question how seriously he or his party are committed to this motion when I see only one member of his group in attendance in the House.

Mr. Knowles (Winnipeg North Centre): How many Liberals are here?

Mr. Stanfield: Where is the cabinet?

Mr. Milne: I should like to make a few comments which may appear to be somewhat apart from the core of the question we have been considering. I believe the government should be commended on the stand it has taken, the concern it has shown and the commitment it has made in this situation where millions in the undeveloped countries of the world are facing starvation.

It appears to be the wish of many people that Canada should make a very large commitment of grain to help meet these circumstances. This, in my view, is commendable. After all, Canada grows a lot of grain. Grain is a product which has a long shelf life; it can be used almost directly for human consumption, or indirectly through livestock feeding. But this raises another issue.

We in this House are aware that from time to time food surpluses arise in this country, and there is a disposition to send these surpluses to under-developed countries should it be possible to do so. For example, in the riding I represent there was, recently, a surplus of potatoes which had been damaged by frost. These potatoes are unacceptable to the Canadian table trade. One of the solutions might be to have them made into flakes or instant mash, which might then be made available to the world food program. When I looked at the arithmetic involved, though, I realized how expensive it is to proceed with this type of approach.

Canada could, perhaps, be offering many of these other food items but it is not possible to do so because of the very high cost of processing and packaging—the packaging is necessary in order that the product may be distributed without waste, spoilage, or, perhaps, pilferage, after it reaches its destination. When the government is considering making funds available for food relief programs I trust it will not ignore the need for storage refrigerators and an adequate distribution system within the countries we are trying to help. Without doing this we are restricted to commodities such as grain that require no refrigeration and can be distributed through very low quality systems.

● (1630)

I listened with interest last evening to the representative of the Canadian Wheat Board who appeared before the agricultural committee. He put forward a view I think we would do well to reflect upon, Mr. Speaker. He made the point that world population is increasing at the rate of 2.5 per cent to 3 per cent a year, as the hon. member opposite mentioned, but that world food production is increasing at only 2 per cent to 2.5 per cent a year. So it appears world food production is falling behind the gain in population.

This official put forward what I thought was a rather interesting viewpoint. He said the problem for the future will be related more to the cyclical nature of food production rather than the total amount of food production. It was his point of view, if I interpreted it correctly, that there would be periods of severe food shortage, as we are now experiencing, whereas at other times we may have a very high inventory as a result of good crop years. This leads me to agree with the previous speaker who said one of the things we should seriously consider is the establishment of a world food bank, so that when grain and other commodities are available in some quantity they can be stored and handled by a central agency, and be available in real time of need without disrupting the economies of the food producing countries.

One question has been avoided by a number of members who have addressed themselves to this problem, and now perhaps is the time to raise it, and I do so on a personal basis. It seems to me it would go a long way toward correcting some of the difficulties that have been referred to if refrigeration facilities, storage facilities, transportation facilities and distribution facilities were substantially funded.

Perhaps this might be a good investment for some of the countries today that are accumulating large amounts of world currency. Generally speaking, these countries—I speak particularly of the OPEC nations—are not major food producers, and through this medium they would offer direct assistance. In addition, many other countries could respond very vigorously in supplying expertise. I hope that in fulfilling our commitment of large grain shipments, both now and in the next three years, we will not ease up on sending to the needy countries those people in Canada who can do so much in helping them become more self-sufficient. In this regard I sincerely applaud the opening remarks of the minister; nothing could be more true.

Irrespective of the commitment of this country or any other country, the end solution has to be self-sufficiency in as many countries as possible. As I say, the best way of achieving this is to provide expertise, and I think in this

regard Canada has something to offer in terms of research into grain production, growing and harvesting.

The question was raised this morning of why we were not sending more fertilizer to the third world. In my past occupations I have had some experience with the fertilizer industry and its problems, and I have reservations about whether this is a very viable suggestion. I am surprised that the mover of the motion we are now debating did not make the point that we should contribute toward building fertilizer plants in countries of need. I think what escaped the hon. member was how very expensive fertilizer is, if it is manufactured in this country or the United States, by the time it gets to the third world. How much more economical it would be if they had their own fertilizer plants and we shipped the necessary ingredients to them.

This brings me to another area that is even wider. Any country that is hopeful of a real future must be self-sufficient both in energy and in food. Unfortunately, at the present time, with trends in pricing set by many factors of the sort we have been discussing during the last couple of weeks, the price of food and energy on the world markets is accelerating at a rapid rate. This puts the underdeveloped nations in a much less favourable position than they ever were before.

I am sure all Canadians, as most other people, sincerely want to do the best they can to assist in the present crisis, but what is so disheartening to them is that things are getting worse, and probably will continue to get worse since the underdeveloped countries are becoming increasingly incapable of purchasing food, fertilizer and energy. As I say, if they are to have any hope of a future we must address ourselves to the question of how we can narrow the gap.

I was quite impressed with the remarks of the previous speaker, not only with what he said and the manner in which he said it, but in terms of the attitude that he said some countries we are trying to help adopt in relation to population trends. This question embraces more than simply consumption of food and food availability; it is a question, addressed to the whole world, of the capability of the world to meet food demands.

Somewhere the two points of food production and world demand will meet on the graph and cross. A number of speakers have indicated that perhaps this point in time is not that far into the future and no amount of talk is going to change that. As we are approaching this point we must recognize that, if we want to live on this earth in peace and give the underdeveloped countries hope for the future, we must address ourselves to these two questions of world food demand and the capability of the world to produce that food.

I do not want to talk about energy today, but in relation to the food crisis there is an old saying which is quoted many times, that a hungry man knows no God and knows no boundary. If we cannot effectively solve the present problem and give these hungry people hope for a final resolution of their problem, then we will be facing a much larger problem some time in the future. That is why it is terribly important to take action now.

One very important point that the minister mentioned, and which I want to adopt, is that despite the crisis we are facing today, and the very generous offer Canada has made to help to the best of our ability, the key to the problem is to make the third world as self-sufficient as possible in terms of food production. In this regard those nations too have some responsibility to do something about their population trends.

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, we have had a very good debate this afternoon on the World Food Conference and the situation in the world generally. The case has been very well put forth by the opposition parties, and we have heard a defence on the part of the government of what it has done and contributed.

● (1640)

I should like to say a little bit about what the Secretary of State for External Affairs (Mr. MacEachen) has outlined as one of the concerns of the World Food Conference in Rome, and that is in respect of the supply of food, or the lack of it. This afternoon the minister was very thin skinned and felt that Canada had made a tremendous contribution. I do congratulate the government for what it has done, but I think it should do more in relation to the amount of agricultural production we have in Canada.

The Minister of Agriculture (Mr. Whelan) in his speech in Rome, and I take this out of context, said that what is obviously needed now is a world agricultural policy, and there is not one. I would say the same thing to the government of Canada, and the producers in Canada have been saying this for a number of years. What is obviously needed in Canada is an agricultural policy, and there is not one.

In 1968 and 1969 we had an agricultural congress which was supposed to develop an agricultural policy for Canada. We still do not have an agricultural policy, due mainly to the lack of leadership on the part of the government over the years. I suggest that the agricultural congress was held as the result of producers in Canada saying the government had adopted a cheap food policy, a policy of bringing cheap food into the country from anywhere in the world to compete with our producers, putting them out of production. I suggest that that is what is taking place in the beef industry today, and as a result of this policy Canada is now a net importer of food.

We are only producing at about half throttle. We certainly should be concerned about lack of food supplies when countries such as Canada are not producing at full throttle, particularly in light of the present situation in the world in which the peoples of some countries have no food at all.

The argument that we are not really producing as much as we can in Canada can be well documented. We have had many programs in the past few years aimed at reducing or halting production. Whenever we have had a surplus of production we have faced a real problem in disposing of the surplus. I suggest that problem has been aggravated by the policy of this country to import cheap food. This has resulted in a lack of faith on the part of our producers, hence they are hesitant about going into high gear in the production of food. No one can argue with the suggestion that we are not producing as much food in Canada as we

could. If we are going to get production into high gear in Canada we must develop programs to take care of surpluses.

Some hon. members have referred to a world food bank. Such a program could not operate unless we had means to take care of surplus production. I have never felt it would be wrong to have a year's supply of grain in storage in Canada. Very often we see weather changes that inhibit production, and this is true of almost every farm commodity.

Very often shortages of supply can be related to programs that inhibit production. We must have a program to take care of over-production such as we have in beef at this time. Our production structure should not be such that it creates bad faith on the part of beef producers, and that is the situation today. Beef producers are reducing their basic herds, and before long this will result in an under-production which will do nothing at all in our effort to help feed the people of the world.

There are many people who will ask how we can afford to feed needy people, or if we can afford it at all. I suggest that we can to some extent by using the money that we are now using for programs such as LIP. The taxpayers of this country are paying a great deal of money in the way of unemployment insurance benefits because of high unemployment. If we adopted a program of constructing canneries and granaries to take care of agricultural surpluses we would put a lot of unemployed to work, cutting down on high unemployment and on taxes required for unemployment insurance benefits. Many people who are working on programs such as LIP could be put to work in more productive areas, and I suggest that what will precipitate such a change is a crisis such as the food shortage.

We hear a lot about change, and many books have been written about it, such as "Future Shock". We hear a great deal about how people will have to change because of manufacturing devices that put people out of work. The biggest change in our outlook in Canada and, indeed, on the North American continent, is the change in respect of producing enough food to feed the world. I suggest we will have to stop wasting fertilizer, sprays and that type of thing, and here I think of the waste in respect of lawns, gardens and golf courses. We will need that fertilizer to produce food.

The hon. member for Peel-Dufferin-Simcoe (Mr. Milne) suggested that we should construct fertilizer manufacturing plants in other countries. I cannot subscribe to that idea. If we build more plants of this type we should build them in Canada, close to the source of the raw material. In this way we would create more jobs for our unemployed here.

● (1650)

If we have to give others the product I think that is much better than giving it to people in our own country and teaching them how not to work. For instance, Mr. Speaker, we have the raw material here. We know there is an abundant supply of potash. We also know that if energy is required in order to produce fertilizer, we have that energy.

We also know that when there was an increase in the manufacture of fertilizer in western Canada several years ago, quite a lot of the increase was based on agricultural production of the day. However, just as companies were building plants in order to increase the production of fertilizer we had the LIFT program which took a lot of land out of the production of grain. Because the companies were building plants it was necessary for them to sell their production in order to have a source of income. Since the production of grain was being reduced, the product was exported out of Canada.

Last year the government told us that the way to beat inflation was to produce. When we asked about a shortage in fertilizer we were assured that there would not be a shortage, but of course we know from experience that there was a shortage. We also know that a large proportion of fertilizer production was exported from Canada. I do not blame the fertilizer companies because it is obvious they cannot pay for their plants if there is insufficient production.

We know that, because of the price of fertilizer over a number of years, it was really not profitable to develop some of the raw materials we had in Canada. These were imported into Canada more cheaply. However, with the price of fertilizer what it is today there should be programs to urge fertilizer manufacturers in Canada to use some of the basic minerals we have, and develop them so that there will be a greater supply of fertilizer products manufactured in Canada from basic materials within Canada.

So, Mr. Speaker, I am sure in the next few years a new outlook must be developed in this whole area. We can see ourselves having to accept a much lower standard of living, perhaps not too much lower, but certainly a lower standard of living. I believe we in Canada have an obligation to produce more in the agricultural field, and to do a better job than we are doing now in feeding the world.

[*Translation*]

Mr. Maurice Dupras (Labelle): Mr. Speaker, in the four remaining minutes—I just lost 30 seconds—I would also like to join with those who spoke before me in thanking the mover for the opportunity he gave the minister to right the impressions the World Food Conference had left in Rome.

It is quite obvious that the motion introduced by the hon. member for Cape Breton-East Richmond (Mr. Hogan) was based on doubtful information, information gathered from doubtful sources. Perhaps, he could have gone deeper into things and inquired of the personnel of the department about what really happened, instead of listening to the catch lines, as the minister called them, that spread all sorts of falsehoods about the position of the government of Canada in Rome. Nevertheless, Mr. Speaker, it is a clear improvement on the motion discussed Tuesday and introduced by the hon. member for Saint-Hyacinthe (Mr. Wagner), and which was in fact another one of his witch hunts, and it is quite typical of that member to find dishonest people and criminals all over the place. Some were even found in this House of Commons.

Mr. Speaker, the information and explanations given by the minister will nevertheless right the facts. Canada was the country which took a position of initiative, of leadership, about the problems facing developing countries. I am

somewhat disappointed, Mr. Speaker. However, I would like to say in the remaining seconds what I would have liked to have enough time to say in a more specific and elaborate way. I was somewhat disappointed that nobody dealt with the cause of the problems facing those African countries. I am talking about countries faced with starvation, more particularly Niger, Mauritania, Upper Volta, Sahel, Bali, Chad, and Senegal.

Mr. Speaker, it is all a series of disasters after disasters which brought about that situation in those unfortunate countries. I heard hon. members of the opposition blame the government for its lack of planning. There is nothing more difficult to plan than agricultural production, food production, because one is always at the mercy of the elements. How can one be sure things will work out exactly as planned, as wanted, as foreseen if, as we have noticed in the countries mentioned earlier, in that central strip of Africa there are calamities, floods and droughts?

Somehow, I am sorry, Mr. Speaker, that those problems were not dealt with adequately. My colleague from Ottawa West (Mr. Francis) barely touched upon the subject when he mentioned the phenomenon of the weather which, in fact, cripples us in any serious undertaking. I am sorry, Mr. Speaker, but unfortunately it is five o'clock.

[*English*]

The Acting Speaker (Mr. Penner): Order, please. It being five o'clock it is my duty to inform the House that, pursuant to section 11 of Standing Order 58, proceedings on the motion have expired. This House stands adjourned until Monday next at 2 p.m.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, November 18, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

GRAIN

TABLING OF ANNOUNCEMENT OF INCREASED INITIAL PRICES FOR WHEAT, OATS AND BARLEY

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I should like to table, pursuant to Standing Order 41(2), an announcement in both official languages of higher initial prices, being recommended effective Monday, November 25, for the basic grades of wheat, oats and barley purchased by the Canadian Wheat Board.

* * *

VETERANS AFFAIRS

TABLING OF REPORT ON STUDY OF EFFECT OF INCARCERATION ON PRISONERS OF WAR IN EUROPE DURING WORLD WAR II

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, pursuant to Standing Order 41(2) I wish at this time to table in both official languages a report of a study on Canadians who were prisoners of war in Europe during World War II. I hope it will be possible in the near future to refer this report to the Standing Committee on Veterans Affairs for consideration.

Hon. members may recall that in June, 1972, the standing committee recommended that the government should arrange to have a study made to identify any physiological and psychological long-terms effects which incarceration might have had on these veterans. The government accepted this recommendation, and on January 31 of last year I announced that the study was being undertaken by Dr. J. Douglas Hermann of Ottawa. This work has now been completed. The author of the report not only offered his conclusions on the medical effects of imprisonment but also volunteered a number of recommendations. On the whole, the government considers that these recommendations should not be accepted, but is withholding its final decision until its receives the report of the standing committee.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I thank the minister for sending me a copy of the Hermann report following a study on Canadians who were prisoners of war in Europe. While it is quite complex and will require extensive deliberation by the Standing Committee on Veterans Affairs, we welcome it and commend Dr. Hermann for producing the facts which will enlighten those who are concerned with the effect on the lives of Canadian veterans who suffered health defects as a result of treatment in prisoner of war camps.

I am disappointed, though, that the minister indicated in his statement that the government considers these recommendations should not be accepted but is withholding its final decision until it receives the report of the standing committee. This is the kind of promise that is not a promise. I hope that in the standing committee we can change the government's mind in view of the recommendations we will bring before parliament as a result of our deliberations.

It is significant, Mr. Speaker, that after so many years we are only finally determining, with facts, that the Dieppe prisoners of war have experienced a higher mortality rate from cardiovascular disease and other heart diseases than others, and identifying the psychological and physiological long-term effects. This emphasizes, to me, our continued responsibility toward our war veterans as long as they live.

Some hon. Members: Hear, hear!

Mr. Marshall: It is our responsibility on a continuing basis because most prisoners of war have aged prematurely and will continue to have a shorter life span than those who were lucky enough to return unharmed or who were lucky enough to remain at home. The details of the group study points out the high percentage of survivors who were forced to resort to pensions, comparative low standards of earnings and low standards of homes, with a resulting number of premature deaths.

● (1410)

Finally, we have a responsibility for those who returned maimed and disabled and continue to struggle to maintain a normal, reasonable standard of existence. I hope that this report will be referred to the standing committee as soon as possible so that we in parliament can continue to recommend legislation in order to fulfil our commitments to the veterans of Canada.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I join the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) in commending Dr. Hermann on a thorough study and an excellent report on Canadians who were prisoners of war in Europe during World War II. The study deals in particular with those who were prisoners of war following the Dieppe engagement but it also covers other prisoners of war in Europe.

However, sir, like my colleague from Newfoundland, I am deeply disappointed that the Minister of Veterans Affairs (Mr. MacDonald), even before most members have seen the report, has announced that the government considers that these recommendations should not be accepted.

For the past two years, veterans who were prisoners of war in Europe have dared to hope that because a study of their case was being made, recommendations meeting their needs would come forth and that the government and parliament would act on those recommendations.

The recommendations are very few. In the main, it is recommended that there be appropriate compensation on a continuing basis over and above all disability pensions already awarded to Dieppe prisoners of war. There is a recommendation that appropriate compensation also be granted to prisoners of war in other parts of Europe. The third and very important recommendation—it reminds me of one that was in the Woods report—calls for widows whose husbands were on less than 48 per cent pension at the time of death to be awarded pensions prorated, rather than nothing at all as is the present case. The other recommendation has to do with continued study.

It seems to me that these are excellent and appropriate recommendations. I believe they will commend themselves to members on all sides of the House. I believe they will commend themselves to veterans and veterans' organizations and that the Canadian public would want these recommendations to be accepted, and I regret that the minister has said no right off the bat. I trust that when this matter is referred to the Standing Committee on Veterans Affairs, the whips will be off, and that the committee will be free to make its own recommendations back to parliament on what is to be done as a result of this report. If this is the case, I believe the recommendation will be that the Hermann report be implemented.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, I join the previous speakers in extending my thanks to the minister for having sent us the report published by Dr. J. Douglas Hermann on the facts concerning the prisoners of war.

I am convinced it is never too late to do well and I am very happy that, at long last, some attention is being paid to the fate of those prisoners who left behind part of themselves in enemy prison camps. Once again, I am very happy to join my colleagues in working, in committee, on a bill that will allow us to alleviate the hardships of those prisoners.

* * *

[*English*]

INDIAN AFFAIRS

TABLING OF CERTAIN DOCUMENTS RELATING TO JAMES BAY AGREEMENT

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I rise under the provisions of Standing Order 41(2) to ask your permission to lay on the table of the House in both official languages certain documents relating to the James Bay Agreement in principle which I signed on behalf of the Government of Canada last week.

[Mr. Knowles (Winnipeg North Centre).]

INFORMATION CANADA

TABLING OF ANNUAL REPORT FOR 1973-74

Mr. Mark MacGuigan (Parliamentary Secretary to the Minister of Labour): Mr. Speaker, pursuant to Standing Order 41(2) I should like to lay on the table two copies of the annual report of Information Canada, 1973-74 in both official languages.

* * *

NATIONAL DEFENCE

SUGGESTED STATEMENT ON EFFECT OF FINANCIAL RESTRICTIONS OF OPERATIONAL ROLES OF FORCES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, pursuant to Standing Order 43 I should like to ask the unanimous consent of the House to move a motion of urgent and pressing necessity. This is the first such motion I have ever moved. I have an opinion about how dubious this procedure is from time to time. However, because of the subject matter I am presenting the motion at this time. I am asking for unanimous consent to move this motion of urgent and pressing necessity in view of the pathetic statement made to this House by the Minister of National Defence (Mr. Richardson) on November 13, and his statement on Friday last, that surveillance of our coasts was taking place. Since sovereignty of our shores is supposed to be the top priority of our forces and present restrictions in the operations of Maritime Command have reduced our surveillance in the north to one flight every six months, next to no effective coastal patrol and no joint exercises whatsoever with our NATO allies, I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That the Minister of National Defence forthwith make a statement outlining what we are not doing now, which we were doing before present financial restrictions affected defence operations, and what plans the minister has for the future, so that some purpose and commitment can replace the present mood of despair and depression which presently permeates our forces.

Mr. Speaker: Order, please. The House has heard the terms of the motion. It being proposed pursuant to Standing Order 43 it cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent the motion cannot be debated at this time.

* * *

AGRICULTURE

PROPOSED INQUIRY INTO BEEF INDUSTRY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I, too, rise under the provisions of Standing Order 43. Considering the recent severe and disproportionate action

taken by the United States government in restricting exports of beef and pork products to the United States with probable major negative effect on our producers and this coming at a time when our beef producers in particular are already undergoing severe difficulty, I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That this House instructs the Minister of Agriculture to embark forthwith on a full scale inquiry into the beef industry and to take steps immediately to set up a national beef marketing agency.

Mr. Speaker: Order, please. The house has heard the terms of the motion. It being proposed pursuant to Standing Order 43 it cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

Mr. Speaker: The motion cannot be debated at this time.

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THE STATISTICS ACT

AMENDMENTS TO PROVIDE FOR ADVISORY COMMITTEES, AND REMUNERATION AND EXPENSES OF MEMBERS

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce) moved for leave to introduce Bill C-35, to amend the Statistics Act.

Motion agreed to, bill read the first time and ordered to be printed.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

SUBSIDIZATION OF CANADIAN COUNCIL OF RESOURCES MINISTERS

Question No. 101—**Mr. Allard:**

Does the government subsidize the Canadian Council of Resources Ministers and, if so (a) for how many years (b) through what department (c) what amounts were granted in 1971, 1972 and 1973 (d) did the government make a grant as capital for the Council at the time it was created or at some later stage of its development?

Mr. Len Marchand (Parliamentary Secretary to the Minister of the Environment): The federal and provincial governments share the cost of operation incurred by the Canadian Council of Resources and Environment Ministers. The cost-sharing formula established at the time the council was created, and still in effect, requires the federal government to pay 33.3 per cent of the total annual costs. (a) Payments have been made since the council was established in 1962; (b) The payments are made through the Department of Environment; (c) 1971/72, $83,916; 1972/73, $162,504; 1973/74, $136,530; (d) No capital grants have been made to the council as such, however, additional contributions have been made toward the cost of CCREM sponsored conferences. The same cost-sharing formula between federal and provincial governments was used and the following federal contributions have been made: 1965/66, Pollution Conference, $28,638; 1970/74, Man and Resources Conference, $133,200.

NOTE: The latter payments were made in four annual installments of $33,300 each.

VETERANS LAND ACT

Question No. 114—**Mr. Marshall:**

1. Is it the intention of the government to extend the Veterans' Land Act beyond the March 31, 1975 deadline and, if not, for what reason?

2. Is it the intention of the government to repeal the October 31, 1968 deadline for certification under the Veterans' Land Act and, if not, for what reason?

3. Is it the intention of the government to (a) increase the mortgage loan ceiling (b) reduce the minimum lot requirements (c) reduce the down payment (d) expand the programme to allow veterans to purchase condominiums or mobile homes (e) introduce programmes to allow veterans to improve their homes?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1, 2 and 3. For the reasons indicated in my speech in the House on November 5, 1974, it is not the intention of the Government to make the changes referred to in this question.

POST OFFICE DEPARTMENT PERSONNEL IN RECEIPT OF REMUNERATION IN EXCESS OF $20,000

Question No. 124—**Mr. Herbert:**

How many public servants in the Post Office Department received T4 slips for 1973 showing gross remuneration in excess of (a) $20,000 (b) $30,000 (c) $40,000?

Hon. Bryce Mackasey (Postmaster General): (a) 133; (b) Eight, (c) One.

DEPARTMENT OF ENERGY, MINES AND RESOURCES PERSONNEL IN RECEIPT OF REMUNERATION IN EXCESS OF $20,000

Question No. 143—**Mr. Herbert:**

How many public servants in the Department of Energy, Mines and Resources received T4 slips for 1973 showing gross remuneration in excess of (a) $20,000 (b) $30,000 (c) $40,000?

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: (a) 360; (b) 31; (c) 1.

STUDY OF WEEKLY NEWSPAPERS IN CANADA

Question No. 153—**Mr. Clark (Rocky Mountain):**

Is the government considering the funding of a study designed to gather data about readership and advertising effectiveness of weekly and community newspapers in Canada and, if so, what will be (a) the terms of reference (b) the projected cost (c) the projected date of commencement (d) the projected date of completion?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The Gov-

ernment is not considering the funding of a study of the weekly newspaper industry in Canada at the present time.

PROPOSED CHANGES IN NATIONAL ANTHEM

Question No. 201—**Mr. Schumacher:**

1. Are any changes proposed to the wording of (a) the English version (b) the French version of our National Anthem "O Canada"?

2. In each case, what changes are proposed?

3. Has consideration been given to restructuring the Anthem so that the meaning is the same in both English and French versions and (a) if so, what is the nature of such consideration and proposals resulting therefrom (b) if not, for what reason?

4. Are any changes being considered in the French version to include references to our North and to our unity from East to Western seas, as are included in the English version but not in the French version at present and (a) if so, what form will such changes take in each case (b) if not, for what reason?

Hon. James Hugh Faulkner (Secretary of State): 1. (a) Yes. (b) No.

2. Changes to 1 (a) are reflected in Bill C-11 tabled on October 4, 1974.

3. Many proposals were considered by the Special Joint Committee of the Senate and House of Commons on the National and Royal Anthems. In their final report to Parliament dated February 19, 1968, it was unanimously recommended that the government be authorized to adopt the two versions as presented in Bill C-11. For further information see "Minutes of Proceedings No. 3, dated December 8, 1967, to February 15, 1968".

4. Answered in 3.

LETTER CARRIER SERVICE IN YELLOWKNIFE, N.W.T.

Question No. 205—**Mr. Firth:**

1. How long a delay has been granted by the Post Office Department in connection with conversion to letter carrier service in Yellowknife, N.W.T.?

2. What, if any, would be the problems encountered by the Post Office Department if the present service were continued?

3. What is the estimated cost of (a) implementation of letter carrier service (b) annual salaries for the necessary manpower (c) expanding the present postal facility in Yellowknife?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): 1. Inauguration of letter carrier service is tentatively set for May 1975.

2. Insufficient space due to increased demands for lock boxes and inadequate space in the working area of the post office.

3. (a) $51,776; (b) $175,168; (c) $270,000.

POST OFFICE DEPARTMENT—ASSURED MAIL SERVICE

Question No. 234—**Mr. Reynolds:**

Does Surrey, Richmond and New Westminster have a new assured mail service and, if so, can the Postmaster General advise when the Municipality of Delta will be going on this service?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): Yes. Our original plans called for assured mail service for Delta in late fall of 1974. However, during the final planning stages, it became evident that the inauguration of this service would not be possible prior to spring 1975.

*FINANCIAL ASSISTANCE TO INSTITUTE BARILOCHE IN ARGENTINA

Question No. 310—**Mr. Hamilton (Qu'Appelle-Moose Mountain):**

1. Did the International Development Research Centre provide financial assistance to the Institute Bariloche in Argentina and, if so, what were the terms, conditions and amount of that financial assistance?

2. Will any studies, led by Mr. Amilcar Herrera, arising out of assistance referred to in Part 1 be tabled?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the answer to the question is as follows:

1. The International Development Research Centre made a grant of $81,000 in July, 1972 to the Fundacion Bariloche in Buenos Aires, to help a team of Latin American scientists design a mathematical world model as an alternative to the Massachusetts Institute of Technology model that was popularized in the book "The Limits of Growth". A supplemental grant of $31,500 was made in November 1973 to allow the group to complete their project and to pay, among other items, the cost of extra computer time. The funds were paid in three instalments, and a condition of the grant is the requirement that the Fundacion make a financial reporting of the expenditures incurred during each instalment period.

2. A first progress report of the early results of the group's work was presented at a Club of Rome meeting in Tokyo in December, 1973. The work was further elaborated during 1974, and a more complete presentation made in Vienna in September, 1974. A draft report, about 80 pages long, summarizing the work and conclusions of the Bariloche group is now being revised by its Latin American authors in the light of comments from the Vienna meeting and elsewhere. The International Development Research Centre hopes to publish this document as soon as possible after its revision and, if so, it will certainly be available to members of parliament.

POST OFFICE—DUTIES ASSIGNED TO SECTION HEADS OF CORPORATE PLANNING BRANCH

Question No. 324—**Mr. Paproski:**

1. What are the (a) present salary ranges (b) official duties assigned to each of the following Section Heads in the Corporate Planning Branch of the Post Office (i) Director (ii) Planning Advisor (iii) Corporate Advisor (iv) Legislative Planning (v) Planning Research?

2. (a) What was the actual written output produced by each of the above sections from August 1, 1973 to August 1, 1974 (b) how many of these publications (per section) were used by (i) that division (ii) other departmental divisions (iii) the public?

3. (a) What was the overall budget for the Corporate Planning Branch of the Post Office for the fiscal year 1973 (b) what percentage of this budget was used to pay salaries for the Corporate Planning Branch of the Post Office?

Mr. Raynald Guay (Parliamentary Secretary to the Postmaster General): 1. Salary Range: (i) Director (SX-1) $25,000-$32,500. Official Duties: Directs functions of Corporate Planning Branch to ensure the development implementation and ongoing effectiveness of the corporate

planning process; coordinates the development of Post Office legislative programs; directs special assignments on behalf of the Deputy Postmaster General. Salary Range: (ii) Planning Advisor (AS-7) $23,000-$27,900. Official Duties: Makes recommendations relevant to long range plans covering all aspects of postal activities and functions; evaluates the effects of future conditions, events and changes on Departmental objectives and policies; advises senior management on action plans relevant to corporate goals and policies. Salary Range: (iii) Corporate Advisor (AS-5) $17,847-$20,245. Official Duties: Provides senior administration assistance to planning advisors; prepares analyses and evaluations of new operational concepts and courses of action; establishes and maintains an appraisal system to monitor achievement in relation to goals and plans. Salary Range: (iv) Legislative Planning: AS-5, $17,847-$20,245. Official Duties: Develops and manages a system to ensure the identification of needed new or amended statutory authority implicit in corporate plans and programs; co-ordinates the legislative research activity of Branches and Directorates; conducts special projects and studies on a wide variety of postal activities for the Deputy Postmaster General. Salary Range: (v) Planning Research (AS-1): $11,395-$13,516. Official Duties: Provides administrative services to Corporate Planning Branch; conducts studies research, review and evaluation of long-range plans; develops and maintains a book of general postal administrative information for senior postal management.

2. The Corporate Planning Branch is a small group, whose primary responsibility is to promote, stimulate and co-ordinate the planning activities of the Canada Post Office. The documents it prepares are for the internal use of Post Office senior management. (a) Corporate Long-Range Plan; proposals for the amendment of the Post Office Act; consolidated Post Office regulations; various reports, studies and analyses of plans, programs and projects affecting different aspects of postal operations and activities. (b) (i) all; (ii) all; (iii) not applicable.

3. Fiscal 1973-74 (a) $241,652; (b) 75 per cent.

GOVERNMENT ADVERTISING POLICY

Question No. 357—**Mr. Herbert:**

Will the government give consideration to a broader use of weekly and community newspapers when allocating its advertising expenditures?

Hon. Jean Chrétien (President of Treasury Board): The allocation of advertising expenditures to various types of media is primarily a departmental program responsibility. The involvement of Treasury Board relates only to the approval of contracts if they exceed the authority granted to departments as set out in the Government Contracts Regulations. When Treasury Board approval is required, such contracts are reviewed on the basis of sound procurement practices and the attainment of best value.

*OVERHAULING OF VICKERS VISCOUNT AIRPLANES

Question No. 362—**Mr. McKenzie:**

1. How many Vickers Viscount airplanes did CAE in Winnipeg overhaul for Air Canada?

2. What was the cost to Air Canada for each Viscount overhauled at CAE in Winnipeg?

3. What was the total amount Air Canada received from the sale to United Aviation Services Ltd. and Beaver Enterprises Ltd. (a) for the Viscounts overhauled by CAE (b) from the sale of the remaining Viscounts to these two firms?

Mr. Cliff McIsaac (Parliamentary Secretary to the Minister of Transport): Mr. Speaker, the management of Air Canada advises as follows: 1. Eight.

2. These Viscount aircraft were overhauled as part of 1.3 million manhours of work performed by CAE for Air Canada since 1969. Much of this work was of a highly competitive nature and it represents a commercial agreement with a private corporation which must be considered proprietary information.

3. Air Canada sold 24 Viscount aircraft as a total package to two private corporations which, for competitive reasons, have asked Air Canada not to divulge the purchase price.

NUMBERS OF WORKING POPULATION ORGANIZED

Question No. 375—**Mr. Lambert (Bellechasse):**

1. On June 30, 1974, what part of the working population in Canada (a) was organized (b) was not organized?

2. At the same date, what part of the working population in each province (a) was organized (b) was not organized?

Mr. Gaston Clermont (Parliamentary Secretary to the Minister of Industry, Trade and Commerce): Statistics Canada reports that: The required information is not available as at June 30, 1974; however, the following information is submitted showing the situation as at December 31, 1972.

	Total Persons Employed	Organized[2] Number	Organized[2] Per cent	Not Organized Number	Not Organized Per cent
1. TOTAL	8,345,000	2,377,201	28.5	5,967,799	71.5
2. Newfoundland	149,000	34,997	23.5	114,033	76.5
Prince Edward Island	33,000	4,108	12.5	28,892	87.6
Noval Scotia	244,000	71,402	29.3	172,598	70.7
New Brunswick	203,000	59,594	29.4	143,406	70.6
Quebec	2,235,000	675,371	30.2	1,559,629	69.8
Ontario	3,254,000	920,984	28.3	2,353,016	71.7
Manitoba	372,000	97,194	26.1	714,805	73.9
Saskatchewan	329,000	56,000	17.1	272,700	82.9

Order Paper Questions

	Total Persons Employed	Organized[2] Number	Organized[2] Per cent	Not Organized Number	Not Organized Per cent
Alberta	636,000	39,758	21.8	516,242	76.7
British Columbia	870,000	313,181	36.0	556,819	64.0
Other Regions	..	4,312	...	...	...

.. figures not available

... figures not appropriate or not available

Source: Labour Force Survey

Source: Corporations and Labour Unions Returns Act Annual Report, Part II—1972

PASSPORTS—REQUIREMENT OF PAST MARRIAGE INFORMATION ON FEMALE APPLICANTS

Question No. 383—Mr. Elzinga:

1. On what occasions is a female who is making application for a passport, required to give information regarding past marriages?

2. Is the government planning any changes to these regulations?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. A married female passport applicant is required to give information regarding all marriages in order to establish: (a) citizenship, in accordance with Canadian citizenship legislation; (b) identity since the present married name could differ from the evidence of citizenship and; (c) custody and identity of children included in the application.

2. No.

RECIPIENTS OF GRANTS UNDER THE DEVELOPMENT OF MANAGEMENT COURSES

Question No. 414—Mr. Rodriguez:

What were the names of the recipients of grants under the Development of Management Courses program (DMC) in the fiscal year 1973-74, and what were the amounts paid out in each case?

Mr. Gaston Clermont (Parliamentary Secretary to the Minister of Industry, Trade and Commerce):

Grants	Amount
University of British Columbia	$28,000.00
Contributions	
Ontario General Contractors Association	6,225.00
Atlantic Building Supply Dealers Association	7,992.35
Automotive Industries Association of Canada	5,764.66
Canadian Institute of Management	12,165.59
Canadian Industrial Communications Assembly	18,633.45
Montreal Dress & Sportswear Manufacturers Guild	6,089.00
Society of Industrial Accountants of Canada	21,808.00
Royal Architectural Institute of Canada	551.61
Canadian Securities Institute	11,625.00
Ontario Road Builders Association	5,062.51
	$95,914.16

DREE—ASSISTANCE FOR A SAWMILL, PROCTOR, B.C.

Question No. 423—Mr. Brisco:

1. Has the Minister of Regional Economic Expansion received any application for assistance under the DREE program for a sawmill or wood products mill located at Proctor, British Columbia?

2. (a) Has there been any formal application either from the Government of the Province of British Columbia or from a private firm for the establishment of such a mill (b) has the Minister received any correspondence which would indicate that the Government of British Columbia or a private firm is interested in establishing a sawmill or wood products mill at Proctor, British Columbia?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to the Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 1. No.

2. (a) No; (b) no.

CENSUS TRACT BULLETIN, 1971

Question No. 459—Mr. Forrestall:

1. For what reason is the Census tract bulletin, 1971, catalogue number 95-732(CT-2B) June 1974 entitled "Halifax", when it encompasses the two Cities of Halifax, Nova Scotia and Dartmouth, Nova Scotia?

2. Will consideration be given to naming subsequent editions "Halifax-Dartmouth", following the precedents of the editions titled "Ottawa-Hull" and "St. Catharines-Niagara"?

Mr. Gaston Clermont (Parliamentary Secretary to the Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1. For the sake of brevity, the front covers of the census tract reports of the 1971 census simply stated "Halifax", "Saint John", etc., instead of the full title "Census Metropolitan Area of Halifax" or "Census Metropolitan Area of Saint John", etc. However, the tables and maps inside the reports immediately make it clear that the figures refer to the metropolitan area as defined for census purposes.

2. When the Metropolitan Area of Halifax was first delineated for census purposes, the town of Dartmouth represented only a very small part of the total population of this metropolitan area. Its recent growth, together with annexations, is such that it now forms a significant proportion of the total, and consideration will be given to naming it the Metropolitan Area of Halifax-Dartmouth in the forthcoming 1976 census and the reports examining therefrom.

DEPARTMENT OF TRANSPORT—INDEPENDENT TRANSPORTATION ACCIDENT INVESTIGATION BOARD

Question No. 460—**Mr. Forrestall:**

1. With respect to the intention of the government to establish an internal study group to investigate the need for an independent transportation accident investigation body, indicated in answer to Question No. 2,761 of the First Session of the 29th Parliament, who are the members of this group?

2. Are any members of this study group members of the Public Service and, if so, what positions do they hold and in what departmental administrations?

3. Will this group consider the representations made by the Canadian Air Line Pilots Association and the Canadian Owners and Pilots Association, representing the vast bulk of Canadian pilots and owners?

4. Will this group seek the views of the international interests involved with Canadian transportation accident investigation?

5. Will the report of this group be made public or will it be held in secrecy and, if made public, at what time might it be expected?

6. What are the precise terms of reference of this group?

Hon. Jean Marchand (Minister of Transport): 1. The independent study was conducted by Brigadier General (Retired) H. A. McLearn, Q.C., under assignment by the Justice Department.

2. No.

3. Brigadier General McLearn considered representations received from the Canadian Air Line Pilots Association and the Canadian Owners and Pilots Association.

4. Brigadier General McLearn discussed the subject with international interests.

5. The report will be released after the recommendations have been studied.

6. To identify the respects in which existing arrangements in all modes of transport for investigations, findings, recommendations and decisions are, or appear to be, open to allegations of conflict of interest on the part of persons exercising those functions, and to examine alternative types of organization that would not be exposed to conflict of interest.

NURSES AT CAMP HILL HOSPITAL, HALIFAX, N.S.

Question No. 470—**Mr. Forrestall:**

1. As of December 1, 1973, January 1, March 1, June 1 and September 1, 1974, what was the number of vacancies for nurses at Camp Hill Hospital in Halifax?

2. How many nurses joined the staff of Camp Hill, by month, since December 1, 1973?

3. What was the total complement of nurses on full-time staff of Camp Hill as of each of the dates mentioned in Part 1?

4. What is the government's official explanation for the continuing understaffing?

5. Does this understaffing have any effect of a beneficial nature on the welfare of those persons in Camp Hill being hospitalized?

6. What steps has the government taken to rectify this situation?

7. What are (a) the rates of pay presently being offered nurses at Camp Hill by classification (b) the rates of pay being offered by hospitals run by the province of Nova Scotia in the Halifax area for similarly qualified nurses?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. December 1, 1973, 13; January 1, 1974, 19; March 1, 1974, 19; June 1, 1974, 22; September 1, 1974, 33.

2. December 1973, 0; January 1974, 6 and 4 part-time; February 1974, 1; March 1974, 2; April 1974, 2; May 1974, 2; June 1974, 4; July 1974, 5; August 1974, 7; September 1974, 29;

3. December 1, 1973, 112; January 1, 1974, 106; March 1, 1974, 106; June 1, 1974, 103; September 1, 1974; 92.

4. A general shortage of nurses in the Halifax area.

5. The situation is being closely monitored to ensure that there is no deterioration in the care being provided to persons hospitalized in Camp Hill Hospital.

6. (1) There are continuing efforts to recruit Canadian registered nurses for Camp Hill Hospital. (2) The department has hired a number of nurses from the United Kingdom for a term of four months to alleviate the shortage of Canadian nurses. (3) The Treasury Board has commenced consultation with the Professional Institute with a view to an early settlement of a new collective agreement for the nurse group.

7. (a) Nurse 1, $8,201-$9,716; Nurse 2, $9,488-$11,676; Nurse 3, $10,252-$12,918; Nurse 4, $11,557-$14,498; (b) To be answered alsewhere.

NEW HORIZONS PROGRAM-ASSISTANCE TO THE AJAX SENIOR CITIZENS RADIO PROGRAM

Question No. 481—**Mr. Orlikow:**

1. What was the total amount of money allocated under the New Horizons Program to the Ajax Senior Citizens Radio Program, Ajax, Ontario?

2. What were the names of individuals associated with this project who received moneys in excess of $100?

Miss Coline Campbell (Parliamentary Secretary to the Minister of National Health and Welfare): 1. $10,377.

2. No payments in excess of $100.00 were made by the group to any individual among the participants or directors of the project.

CATALOGUE NUMBERS—INFORMATION CANADA PUBLICATIONS

Question No. 530—**Mr. Herbert:**

For what reason are unilingual French or partly bilingual publications of Information Canada identified by a catalogue number ending in "F" while there is no corresponding identification letter "E" for those in the English language?

Hon. John C. Munro (Minister of Labour): In so far as Information Canada is concerned, the answer is as follows: The letter "F" following the alpha-numeric catalogue number on the publications of the Government of Canada is added to differentiate the French edition from the English edition of the same work, both bearing the same catalogue number.

TARIFF CHARGES BETWEEN UNITED STATES AND CANADA ON FARM MACHINERY

Question No. 537—**Mr. Schellenberger:**

Are there any tariff charges presently existing between the United States and Canada on farm machinery and farm machinery parts and, if not, will the Minister of National Revenue launch an investigation in

order to determine for what reason indentical farm machinery and farm machinery parts cost more in Canada than in the United States even when discounted transportation charges are considered?

Hon. Ron. Basford (Minister of National Revenue): Imported farm machinery and parts thereof, designed for use in the pursuit of agriculture, are admissible free of duty. Discrepancy in costs of farm machinery and parts in Canadian and foreign markets was one of the points examined by the Royal Commission on Farm Machinery. The final report of the Commission was submitted in March 1971.

NATIONAL ENERGY BOARD—PUBLICITY AND INFORMATION EXPENDITURES

Question No. 565—**Mr. Symes:**

1. What were the amounts of money spent by the National Energy Board on publicity and/or information in each of the fiscal years 1972-73 and 1973-74?

2. What were the names and addresses of firms and individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. In the case of expenditures for publicity and/or information made within the Department by its publicity or information division, what was the amount in each case and the purpose of the expenditure?

Mr. Maurice Foster (Parliamentary Secretary to the Minister of Energy, Mines and Resources): 1. 1972-73: Publicity and Information, $4,073.03; 1973-74: Publicity and Information, $24,039.92.

2. 1972-73: John Doherty & Co. Ltd., 46 Elgin Street, Ottawa, received $466.52 for handling the printing of notices of hearings. 1973-74: John Doherty & Co. Ltd., 46 Elgin Street, Ottawa, received $10,748.26 for handling the printing of notices of hearings. Ardiel Advertising Agency Limited, 4 Lawton Blvd., Toronto 7, received $5,745.20 for handling the printing of notices of hearings.

3. 1972-73, $3,606.51; 1973-74, $7,546.46.

PURPOSES: Annual Report—English and French: Interprovincial Pipeline maps: Reasons for Decision Trans-Canada Pipelines: Westcoast Transmission maps: Wascana and Dome maps: Interprovincial Pipeline report: Trans-Canada Pipelines maps: Report to Governor in Council—Dome: Maps-Cochin.

FRENCH TEXT BOOKS FOR STUDENTS

Question No. 641—**Mr. Gauthier (Ottawa-Vanier):**

In what location and on what date will the meeting of the Secretary of State with provincial ministers of education be held on the preparation, publication and distribution of French text boods for primary and secondary school students belonging to official linguistic minorities?

Hon. Hugh James Faulkner (Secretary of State): The Department of the Secretary of State is convening a one-day meeting of officials of provincial departments of education on Monday, November 25, 1974 at the Government Conference Centre in Ottawa.

[Mr. Schellenberger.]

DEPARTMENT OF TRANSPORT—CONTRACTS WITH LAPOINTE TRANSPORT LTD.

Question No. 651—**Mr. Grafftey:**

1. What transport contracts have been awarded by the Department of Transport to Lapointe Transport Ltd., 105 Industriel Blvd., Longueuil, Quebec, since January 1, 1972?

2. What was the amount of the contract in each case?

3. Were public tenders called in each case and, if not, for what reason?

Hon. Jean Marchand (Minister of Transport): 1. None.

2. Not applicable.

3. Not applicable.

DEPARTMENT OF VETERANS AFFAIRS—CONTRACTS WITH LAPOINTE TRANSPORT LTD.

Question No. 655—**Mr. Grafftey:**

1. What transport contracts have been awarded by the Department of Veterans Affairs to Lapointe Transport Ltd., 105 Industriel Blvd., Longueuil, Quebec, since January 1, 1972?

2. What was the amount of the contract in each case?

3. Were public tenders called in each case and, if not, for what reason?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. None.

2. Not applicable.

3. Not applicable.

MINISTRY OF STATE FOR URBAN AFFAIRS—CONTRACTS WITH LAPOINTE TRANSPORT LTD.

Question No. 665—**Mr. Grafftey:**

1. What transport contracts have been awarded by the Ministry of State for Urban Affairs to Lapointe Transport Ltd., 105 Industriel Blvd., Longueuil, Quebec, since January 1, 1972?

2. What was the amount of the contract in each case?

3. Were public tenders called in each case and, if not, for what reason?

Hon. Barney Danson (Minister of State for Urban Affairs): 1. None.

2. Does not apply.

3. Does not apply.

DEPARTMENT OF NATIONAL REVENUE—CONTRACTS WITH LAPOINTE TRANSPORT LTD.

Question No. 668—**Mr. Grafftey:**

1. What transport contracts have been awarded by the Department of National Revenue to Lapointe Transport Ltd., 105 Industriel Blvd., Longueuil, Quebec, since January 1, 1972?

2. What was the amount of contract in each case?

3. Were public tenders called in each case and, if not, for what reason?

Hon. Ron Basford (Minister of National Revenue): 1. None.

2. Not applicable.

3. Not applicable.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WOOD CUTTING RIGHTS ON LANDS UNDER CONTROL OF CFB GAGETOWN

Question No. 262—**Mr. Howie:**

1. Since January 1, 1973, what persons were permitted to cut wood on lands under the control of CFB Gagetown?

2. How much wood did each person cut and how much money was paid to the Crown for such cutting rights?

Return tabled.

NATIONAL MUSEUMS AND NATIONAL GALLERY EXHIBITIONS IN NORTHERN ONTARIO SINCE 1968

Question No. 265—**Mr. Symes:**

1. Since 1968, what federal funds have been expanded in Northern Ontario on the subsidizing or construction of (a) art galleries (b) museums (c) exhibition centres and in what places?

2. Since 1968, what exhibits have been circulated in Northern Ontario by the National Museums of Canada and in what places?

3. Since 1968, what archaeological digs have been sponsored in Northern Ontario by the National Museums of Canada?

4. Since 1968, what exhibits have been circulated in Northern Ontario by the National Gallery and in what places?

5. What publications relating to art or artists in Northern Ontario have been published by the National Gallery?

6. What historic sites or restoration projects have been funded or subsidized by the government in Northern Ontario since 1968?

Return tabled.

PROFESSIONAL SERVICES TO CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

Question No. 273—**Mr. Munro (Esquimalt-Saanich):**

With reference to the answer to Question No. 224 of the Second Session of the 29th Parliament which of the companies figuring in the list of consultants provided, were awarded consulting contracts during the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 and 1972-73, whether for capital projects or by way of technical assistance contracts?

Return tabled.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I placed a question on the order paper, starred question No. 760, on November 5. It is a very simple question. What is the total strength of the armed forces, how many are engaged in office or administrative duties, and how many hold the rank of corporal. A period of 13 days has gone by, and I wonder whether the minister has forgotten the armed forces or does not have this information. I suggest that starred questions should be answered more expeditiously. This delay indicates the attitude of the department.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I have a question regarding my question No. 39 dated September 30 regarding the sale of munitions from this country. An identical question was raised on April 8 in the last parliament. I am appalled at the possibility that we are selling so much abroad that it takes seven months even to get an invoice.

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I should like to bring to your attention question No. 2 on the order paper regarding the seizure of 20 pounds of heroin. It appeared on the order paper on September 30 and it was also asked in the last parliament. I should like also to refer to question No. 4 regarding Tofino Fisheries Limited and the ARDA program which was also brought up in the last parliament. I hope that the government will see fit to answer those questions quickly.

● (1420)

Mr. Cossitt: A point of order, Mr. Speaker. I should like again to draw the attention of the hon. parliamentary secretary to questions Nos. 53 to 61 asking for information pertaining to local initiatives programs grants in the ridings of nine cabinet ministers. I raised this question a few days ago and I wonder if the parliamentary secretary is now in a position to say exactly when the information will be forthcoming.

An hon. Member: Never!

Mr. Horner: Mr. Speaker, I rise on a question of privilege which affects all members of the House and the work of the House. This afternoon the minister in charge of the Canadian Wheat Board, the Minister of Justice (Mr. Lang) tabled a price list outlining the increase in the initial price for wheat, oats and barley in a brief statement which I think should have been made on motions. It has been the practice in the past to make such statements on motions so that the House and the whole country may know exactly the amount of the increase in the initial payment. This gives an opportunity to members of all parties in this House to comment on the increase and to ascertain whether the government will be able to get the wheat needed to fill sales commitments as a result of the price increase. I think this practice of just tabling a statement like this should be brought to your attention and to the attention of the House; it should not pass unnoticed. In the past such statements have been made on motions and members of the various parties have had the opportunity to reply.

Some hon. Members: Hear, hear!

Mr. Lang: Mr. Speaker, I shall be glad to check this for the hon. member but it is my memory that this is exactly the procedure that has been followed previously.

Mr. Horner: No, it is not, only by you, Otto.

Mr. Speaker: Oral questions.

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

UNITED STATES QUOTAS ON BEEF AND PORK—SUGGESTED INQUIRY INTO BEEF INDUSTRY—GOVERNMENT ACTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the right hon. Prime Minister and arises out of the announcement made by the United States government of quotas on beef and

pork. Can the Prime Minister inform the House what his government's response will be and whether it intends to make a protest?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we envisage raising the matter in the forum of the GATT, but at this time no specific decision has been taken. The Minister of Agriculture returned from Rome only over the weekend. The matter is before a group of my colleagues and this afternoon we will study the situation and advise what action should be taken.

Mr. Stanfield: A supplementary question, Mr. Speaker. Since the action was telegraphed to some extent I thought perhaps the government would have prepared itself to take action. In view of the length of time that a GATT would presumably take, can the Prime Minister tell the House if the government intends to take any action in the meantime to ease the position of the pork and beef industries, particularly in view of the difficulties already faced by certain aspects of our beef industry. Is it the government's intention to provide any help to the livestock industry immediately in view of the difficulties it faces?

Mr. Trudeau: Mr. Speaker, it is because of the concern of the government for this and other aspects of the matter that we are studying it most urgently. If I had an announcement to make today it would have been made but I repeat, we are looking at it and will take whatever action is best for the Canadian people.

Mr. Stanfield: A further supplementary, Mr. Speaker. Is it the intention of the government to establish an independent inquiry into the beef industry as has been suggested from time to time by the Minister of Agriculture and would it be the government's intention to delay any decision on interim aid at least to the beef industry and the livestock industry in general until such inquiry is completed?

Mr. Trudeau: Mr. Speaker, the matter of the inquiry was discussed on the eve of the departure of the Minister of Agriculture. Now that he has returned we will be looking at the work that has been done in his absence and will decide what action should be taken.

UNITED STATES QUOTAS ON BEEF AND PORK—LINKING OF CATTLE WITH TRADE IN OIL

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Is the minister prepared to tie in a certain number of livestock with a certain amount of oil in trade with the United States?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, that is a very novel and interesting suggestion which I shall consider.

UNITED STATES QUOTAS ON BEEF AND PORK—REPRESENTATIONS BY MINISTER TO UNITED STATES

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, my question to the Minister of Agriculture is supplemental to

[Mr. Stanfield.]

that asked by the Leader of the Opposition. In view of President Ford's week-end Washington announcement of retroactive United States quotas on Canadian cattle, beef, hogs and pork, which are based on a single 12-month period from March 31, 1973 to March 31, 1974, a period which clearly distorts our traditional trading pattern with the United States, and in view of Canada's quota policy applying to the average of the last five-year period, will the minister indicate if he intends to advise Washington of the facts of the total U.S.-Canadian cattle picture as indicated by Canadian cattlemen at the Washington hearing a short time ago; and, in particular, will the minister suggest, hopefully in his own special way, that while our Canadian cattle industry can be hurt by this new quota policy, we will not be intimidated.

● (1430)

Mr. Speaker: Order, please. The hon. member ought to know that he has the right to pose a question, but when he goes on to tell the minister what the answer must be, I think he is in the area of argumentative questioning. In any case, as the question was addressed to the minister, the minister may want to answer.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Whelan: —we have not had time to analyse fully the action which the United States of America has taken. I am fully aware of what the Canadian cattlemen said in their presentation at the hearing and I agree with them. The government delivered a statement to the United States government telling it what we thought about these proceedings, etc. Mr. Speaker, I will be in a better position, possibly tomorrow, to answer the hon. member's question in a more detailed form. I should be able to say what action this government intends to take.

UNITED STATES QUOTAS ON BEEF AND PORK—EFFECT ON CANADIAN MARKET

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, may I direct a supplementary question to the Minister of Agriculture. In view of the 10 to one ratio of the respective cattle and human populations of the United States and Canada, and in view of the current oversupply situation of fat cattle in the United States, our Canadian position being very current, does the minister not agree that under present conditions the lifting of the Canadian quota and DES regulation will not resolve the current United States market price problems but that this could have a disastrous effect on our own cattle market structure.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I have said before that I think our quota system and our actions concerning DES were both responsible and fair, and I stand by that statement.

UNITED STATES QUOTAS ON BEEF AND PORK—REPRESENTATIONS TO UNITED STATES ON EFFECTS ON INDUSTRIES IN BOTH COUNTRIES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct a question to the Prime Minister. Does the government intend to communicate with the United States government on the subject of beef, and make clear that the United States government's policy of dollar for dollar retaliation, of limiting imports to inflict a $100 million damage in retaliation to our $100 million quota, will have disproportionate effects on the industries of both countries in view of the relevant strengths of the industries in the two countries and, therefore, as meaningful counteraction the American action is entirely unfair, especially if that country wants to maintain good trading relationships with a neighbouring country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as the House knows, we hoped that the United States would take no counteraction at all. As to the figures put forth by the hon. member, of course they will be pointed out to the United States.

UNITED STATES QUOTAS ON BEEF AND PORK—SUGGESTED REVIEW OF OIL AND GAS EXPORTS TO UNITED STATES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct a question to the Minister of Industry, Trade and Commerce along lines of one asked earlier. His reply seemed to be facetious. I will direct it to him, and hope that he considers it in the sense in which it is asked. Assuming that the reaction of the American government in limiting beef and pork exports to that country is unjustified, in view of the relevant scales operation of those industries in the two countries, can the minister inform the House whether our government will seriously take into consideration the review of our oil and gas export commitments to the United States.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I made no reference to oil and gas, or cattle and oil and gas. I think the hon. member is referring to another question put to another minister.

Mr. Broadbent: Mr. Speaker, I inadvertently referred to the Minister of Industry, Trade and Commerce. I, of course, meant to direct my question to the Minister of Energy, Mines and Resources. I wonder if he would answer that question.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I must apologize to the hon. member. I thought he was directing the question to my colleague and I did not follow it.

Mr. Broadbent: Mr. Speaker, as usual, one member of cabinet does not know what another member is doing.

Some hon. Members: Oh, oh!

Mr. Broadbent: May I ask the minister if his department will react to this unfair action by the United States by reviewing our current policy for exporting gas and oil to the United States and giving serious consideration to reducing that commitment.

Mr. Macdonald (Rosedale): Mr. Speaker, I am confident that the reaction will be a total government reaction, after close and intimate consultation on this question in the cabinet.

* * *

[*Translation*]

INDUSTRY

LUMBER—ACTION TO AID INDUSTRY IN QUEBEC

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of Industry, Trade and Commerce.

In view of the difficulties experienced in the Quebec lumber industry, and especially in my area, may I ask the minister whether or not he has received representations from sawmill operators concerning those difficulties and ensuing lays-offs? If so, will the minister introduce measures to help that industry and protect the workers?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we have had representations from sawmill operators from both sides and the centre of Canada. At present this matter is under discussion between myself and my cabinet colleagues. When I have further information to give the House, of course I will give it.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST FOR INCREASED GRANTS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a supplementary question to the Prime Minister.

Concerning the great number of dismissals in the sawmill industry, he answered last week to my colleague from Richmond who asked him if supplementary estimates would be granted to the Local Initiatives Program for the creation of jobs during the winter that he would discuss the matter with the Minister of Manpower and Immigration. I would like to ask the Prime Minister today whether he is in a position to tell the House if supplementary estimates will be granted to LIP?

Right Hon. P. E. Trudeau (Prime Minister): No decision has been taken to that effect, Mr. Speaker. If we must take a decision, we will announce it to the House in the usual manner.

[*English*]

AGRICULTURE

BEEF—SUGGESTED ESTABLISHMENT OF MINIMUM PRICE TO FARMERS—GOVERNMENT POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question really is supplementary to some already asked, and is directed to the Minister of Agriculture, whom I welcome back to this House. I join with others in that. When he was in Rome he spoke in a way Canadians understood, and I appreciate that.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I am not speaking about the actual embargo, because this government has known for weeks that it would happen, and it did not come as a surprise. During the last month or so, with cattle prices plummeting and production costs rising, farmers in some parts of our country have become virtually desperate. I have been to Alberta and found everywhere this feeling. Will the minister, in his desire to give agriculture a fair deal, do his part in having declared at the earliest possible date a minimum, basic price for beef, after which the government should pay to the farmers an allowance equal to the difference between that basic price and the price that today is being received, a price which is far below the cost of production. The consumer, of course, is receiving none of the benefit of these low prices. Will he do that and preserve the beef industry which, today, is in an even greater panic than it has been during the past two weeks as a result of the action by the United States, the danger of which can be overdrawn in its effect. I believe that action will add little to the price situation, or otherwise. I ask, what will the minister, under such government action, do to assure farmers who are producing beef of a fair and proper return?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the right hon. gentleman knows that I cannot tell the House exactly what the government intends to do. But I can tell him this: We shall be discussing this later this afternoon, as well as several propositions I have to bring forward.

● (1440)

UNITED STATES QUOTAS ON BEEF AND PORK—PRIOR REPRESENTATIONS TO UNITED STATES ON IMPORTATION OF PORK—GOVERNMENT ACTION

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question, too, is directed to the Minister of Agriculture. It is related to the beef and pork issue. In the light of events which took place in Washington at the United States trading policy conference, on October 25, which clearly indicated that the United States government was being persuaded to take action with respect to the importation of hogs, not just beef, would the minister tell us what representations he or his departmental officials have made to their counterparts in the United States subsequent to that meeting on October 25 and prior to last week's announcement with regard to the United States position on the importation of Canadian pork products?

[Mr. Trudeau.]

Hon. E. F. Whelan (Minister of Agriculture): The action the Canadian government took concerning quotas was within our trading agreement—within GATT. We never suspected, or, at least, I did not, that any action taken by the United States would be outside the GATT, but from what I know now it appears they have taken such action. We were under no impression that the United States would take this action. We knew they would be requested to take it but we did not think they were going to take it.

Mr. Jarvis: In the light of the minister's answers to previous questions today, would he tell the House whether he proposes to take immediate steps to protect the hog industry as well as the beef industry, since the hog industry will be particularly hurt unless appropriate steps are taken?

Mr. Whelan: The actual damage is now being assessed. We shall be getting a full report from our officials later today. Our action will be determined by that information; we shall have to go on from there. There could be further consultations with the United States on the matter. As the hon. member knows, we had several consultations in Rome with the United States Secretary of State and, though it may amaze some people, we are still on speaking terms.

UNITED STATES QUOTAS ON BEEF AND PORK—REQUEST FOR ACTION TO PROTECT CONSUMERS AND PRODUCERS

Mr. James A. McGrath (St. John's East): Is it the minister's intention to meet immediately with his United States counterpart on this matter in view of the short term consequences of the U.S. decision to Canadian cattle producers and in view of the long term consequences to Canadian consumers.

Hon. E. F. Whelan (Minister of Agriculture): My concern has been, and always will be, both for the consumers and for producers, whether cattle producers or producers of other food products. This is the very thing we have in mind when presenting legislation to the House designed to stabilize the livelihood of food producers so as to give them a reasonable return for their efforts and enable them to provide food at reasonable prices. Our officials will be in touch with United States officials tomorrow. I know that some of them are making inquiries today to clarify points in the document the President of the United States has signed. They are asking these questions and I am meeting with them later on this afternoon. I cannot tell the hon. member for sure what I shall do.

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TRADE

ALLEGED DROP IN EXPORTS—GOVERNMENT ACTION TO COUNTERACT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is addressed to the Minister of Industry, Trade and Commerce. Does the minister intend to treat as a serious matter the 6 per cent drop in the volume of Canadian exports during the first nine months

of this year as compared with the 10 per cent real growth in industrial world exports as reported by GATT recently? Does he intend to do something constructive to correct this situation? Or does he intend to treat it in the same light-hearted manner as shocked the annual meeting of the Canadian Exporters' Association recently?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I have tried on various occasions to describe the various ways in which we are supporting the Canadian export effort. I have personally led three trade missions to various markets of the world; the Prime Minister has visited half a dozen countries. Clearly, the government is doing everything it can, through trade missions, through amendments to the Export Development Corporation Act and through the program for export market development, to assist Canadian exporters to find new markets and compete internationally.

Mr. Hees: Since it is very obvious from the minister's performance that Canada is not measuring up to the record of other industrial nations, and since the trade missions are not producing the results intended, will he get on with the job which should be done, and which he is paid to do, instead of running around the world and accomplishing nothing?

* * *

AGRICULTURE

BEEF—PROPOSED INCENTIVE PAYMENTS TO ENCOURAGE PRODUCERS TO MAINTAIN BREEDING STOCK

Mr. Don Mazankowski (Vegreville): A question to the Minister of Agriculture supplementary to previous questions which have been posed with respect to the beef industry. In the light of the warning issued by the Food Prices Review Board to the effect that Canadians could experience a serious beef shortage next year unless action is taken to encourage producers to withhold breeding stock from slaughter, is the minister actively considering a program of incentive payments which will encourage producers to maintain adequate breeding stock by ensuring them that at least a portion of the costs incurred by them will be covered?

Hon. E. F. Whelan (Minister of Agriculture): I can only give the hon. member the same answer as I gave to the right hon. member for Prince Albert. We are considering several different programs at the present time.

* * *

INDIAN AFFAIRS

REQUEST FOR ASSURANCE JAMES BAY SETTLEMENT NOT USED AS GUIDE IN SETTLING LAND CLAIMS OF OTHER NATIVE GROUPS

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development arising from the recent James Bay settlement. Since the position of the native people of Northern Quebec with regard to land claims is vastly different from the claims of those in the Northwest Territories, and taking into account the hydro-electric project being carried out, can the minister assure the House that the Northern Quebec settlement will not be used as a precedent or model for settling land claims in the Northwest Territories?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): I do not think there is any doubt that the agreement is, in fact, a precedent, dealing, as it does, with the first large, modern, comprehensive land claim. However, I have frequently endeavoured to stress that each region is different, each situation is different as the hon. member indicated, and that settlements will accordingly vary from region to region; and that the interests of the people concerned will also vary.

JAMES BAY SETTLEMENT—PROTECTION OF INTERESTS OF MÉTIS AND NON-STATUS INDIANS

Mr. Wally Firth (Northwest Territories): Mr. Speaker, have the interests of Métis and non-status people in Northern Quebec been protected under the terms of the announced settlement?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): I believe there are, roughly, 200 non-status people involved in the area concerned in northern Quebec.

* * *

FINANCE

REDUCTION IN BANK RATE BY BANK OF CANADA—PRIOR CONSULTATION WITH MINISTER

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to direct my question to the Minister of Finance. Would the minister advise the House whether the reduction in the bank rate announced by the Bank of Canada on Friday was made after consultation with the minister, and, if so, will he say whether this is part of the climate for the budget which is to come tonight?

Hon. John N. Turner (Minister of Finance): The Governor of the Bank usually consults me about movements in the bank rate. He consulted me on this occasion; of course, he has the prime responsibility for the movement of monetary policy. He stated clearly in his release explaining the decision that it was responsive to market forces and to the movement of short term interest in the United States in the last two or three weeks. It also had particular relevance to the termination of the Canadian Savings Bond issue.

* * *

AGRICULTURE

BEEF—MINISTERS' ADVICE TO PRODUCERS CONCERNING PRODUCTION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I have a supplementary question for the Minister of Agriculture.

Since the hon. gentleman appears to regard himself as the Messiah of Canadian agriculture, can he tell the House what he is advising beef producers to do at this time? Should they increase their production or cut back?

● (1450)

Mr. Speaker: Order, please. The hon. member for Dartmouth-Halifax East.

Mr. Yewchuk: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The hon. member for Athabasca is rising on a point of order.

Mr. Yewchuk: The minister wanted to answer the question I asked, which is a very important question to the beef producers of this country.

Mr. Speaker: Whether the minister wanted to answer it or not, and regardless of the importance, it is not in order.

* * *

NATIONAL DEFENCE

CONTINGENCY PLANS FOR REMOVAL OF TROOPS FROM MIDDLE EAST AND CYPRUS—EFFECT ON PREMATURE REMOVAL

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I want to ask the Minister of National Defence, first of all, whether or not we have any contingency plans in place to remove troops from the Middle East, including Cyprus, though separating the two, and is it the view of the government that given the nature of our supporting role, any premature removal of our troops prior to renewed open hostilities might not constitute a negative contribution to further stability in that area?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, in answer to the first question, we do have contingency plans for evacuation from all places where we have peacekeeping personnel—Cyprus, Egypt, Syria and Israel. In reply to the second question, I would agree that a premature withdrawal from the peacekeeping role would be disadvantageous, but that is really hypothetical.

Mr. Yewchuk: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: The hon. member for Athabasca is rising on a question of privilege.

Mr. Yewchuk: I am sorry to be interrupting the question period once again, but I fail to understand why the question that I have put to the minister, which dealt with a matter of basic government policy, is not in order. I think we are entitled to know why.

Mr. Speaker: I am sure that the hon. member realized that is not a valid question of privilege. However, I may add that the reason for holding the question out of order was that, as I recall, the hon. member asked the minister not only for an opinion, which itself is out of order, but in addition asked what the minister would advise farmers to do at the present time. This would call for a very lengthy answer and, in addition, would call for an expression of opinion. His question was specifically: Would the Minister of Agriculture tell the House what he would advise western farmers to do at this time? In those circumstances, it called both for an opinion and for something other than a specific point of information from the minister.

* * *

[Translation]

IMMIGRATION

HAITIANS—GOVERNMENT ACTION ON DEPORTATION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to direct a question to the hon. Minister of Communications.

Following his weekend promise to intervene with his colleagues and the Prime Minister, in respect of the Haitians problem, in order that legalism give way to humanitarian sentiment, could the minister report to the House on the success of his eleventh hour representations?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I do not believe that the premises of the hon. member's question are consistent with the facts. I do not believe either that the situation is at the eleventh hour, and finally I do not believe it is appropriate to answer the House to questions dealing with internal discussions held within the Cabinet.

Mr. Wagner: Mr. Speaker, I have a supplementary question.

Considering the negative answer he has given would the Minister of Communications advise the House whether he feels bound by the decision taken by his colleague the Minister of Manpower and Immigration?

Mr. Pelletier (Hochelaga): Mr. Speaker, I don't know what decision the hon. member is referring to, since several have been taken on that problem. However, if the hon. member for Saint-Hyacinthe wants to refer to the statements I made, he will see they are within the spirit of the law, the spirit of the government's action and the compassionate position the government has tried to adopt in respect of Haitians and will endeavour to find better means of incarnation, if possible.

* * *

[English]

ENVIRONMENTAL AFFAIRS

FUTURE PLANS OF DEPUTY MINISTER OF DEPARTMENT UPON RETIREMENT—POSSIBLE USE OF CONFIDENTIAL DOCUMENTS

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is directed to the Minister of the Environment. Can the minister confirm whether the deputy minister of the environment is retiring shortly and will be engaged in a private consulting business specializing in northern pipelines?

[*Translation*]

Hon. Jeanne Sauvé (Minister of the Environment): Yes, Mr. Speaker, the Deputy Minister of the Environment will reach retiring age at the end of December. I am not aware of the type of work he will undertake after retiring.

[*English*]

Mr. Fraser: A supplementary question, Mr. Speaker. On November 1, the Minister of Energy, Mines and Resources said in the House, with regard to the Berger commission, as reported at page 966 of *Hansard* for that day, that:

—there are other documents, for example cabinet proceedings and other proceedings of that kind, which while not covered by statute, have traditionally been regarded as confidential to the executive.

Would the minister tell the House what is being done to ensure that that sort of information is not, directly or indirectly, made available by the retiring deputy minister, in his future private business, to those parties interested in the proceedings before the Berger commission or, ultimately, before the National Energy Board?

[*Translation*]

Mrs. Sauvé: Mr. Speaker, I suggest that, although he will have left the Public Service, the Deputy Minister of the Environment, who may have had knowledge of certain documents during his tenure, will feel that he is still bound by his oath of secrecy.

* * *

[*English*]

ENERGY

EFFECT OF PROPOSED PLANT TO SUPPLY ENRICHED URANIUM ON SALE OF CANDU REACTOR—SAFEGUARDS ON SALE OF ENRICHED URANIUM

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the Prime Minister's remarks in Paris last month that an enriched uranium plant, to be built in conjunction with the French government, is under discussion for the James Bay area, can the minister say whether any assessment has been made of the impact that a Canadian project to supply enriched uranium to western Europe could have on the sale of our CANDU reactors that utilize a competing system and to which the government has already devoted so much financing?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have to recognize that all but a small percentage of the reactors now in operation in the world today, and which will be in operation for many years to come, are ones using enriched uranium, are light water reactors, rather that the CANDU system. In this sense Canada has an opportunity if we choose to be, as we are, both a major exporter of uranium and an exporter of technology in the form of CANDU.

With regard to the question of an enrichment facility, the government by no means has accepted the concept that such a facility should be established in Canada. The hon. member may recall that we set out an elaborate set of guidelines which any applicant for such facility—at that time it was Brinco—should meet in terms of bringing an application before the government. I think we would want to make an assessment, in this case with the province of Quebec, whether over $1 billion and 2,000 megawatts of power are best used for uranium enrichment or, rather, put to better use in other activities in Canada.

Miss MacDonald (Kingston and the Islands): A supplementary question, Mr. Speaker. In light of the fact that discussion is now going on with regard to the establishment of an enriched uranium plant, and in light of our previous experience of exporting nuclear fuel and technology, would the minister say what safeguards and restrictions on the use of a nuclear component are being planned with regard to the export of enriched uranium?

Mr. Macdonald (Rosedale): Mr. Speaker, as I said to the hon. lady, there is no commitment of any kind that there will be enriched uranium for export from Canada. In general terms, whether we are talking of natural uranium, enriched uranium—if indeed we should have that in due course—or nuclear technology, either in research form or in the form of nuclear reactors, we are following the standards set internationally by the International Atomic Energy Agency, though certainly there are more rigid standards which we would on a bilateral basis impose upon the contracting parties who buy any one of these commodities. Perhaps this is not the time to talk about this in detail, but I would be glad on another occasion, and perhaps in a committee of the House, to go into this question at some length.

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CONSUMER AFFAIRS

SUGAR—POSITION OF NEGOTIATIONS FOR PURCHASE FROM CUBA

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question which I want to address to the Minister of Consumer and Corporate Affairs. The minister is quoted as having said outside the House that talk on future sugar supplies had been held with the Cuban ambassador, but, the Cuban embassy has issued the statement that up to this point no negotiations whatsoever have been started or conducted. Would the minister explain to the House the apparent discrepancy between these two statements and say whether in fact talks have been held on the subject of reaching an agreement regarding sugar imports from Cuba, or whether in fact they have not been held.

● (1500)

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am grateful to the hon. member for giving me the opportunity to clarify this point. It is clear that my statement has been greatly expanded; all I said in reply to a question is that I had had talks with the Cuban ambassador. I was seeking the information I needed to better intervene with my colleagues.

[*English*]

Mr. Brewin: Mr. Speaker, in view of the great importance to Canada of expanding its exports to Cuba and the

necessity of Cuba being able to expand its exports to Canada so that it will be in a position to import more from Canada, will the minister see that these talks referred to are in fact expedited and take place as quickly as possible?

[*Translation*]

Mr. Ouellet: Mr. Speaker, it is clear that if such discussions are to take place, they will be held with the minister in charge and not with me. Which does not prevent me, however, from looking further into this and obtaining as much information as possible.

[*English*]

SUGAR—DATE OF STATEMENT ON POLICY RELATED TO PRICE INCREASES

Mr. J. R. Ellis (Hastings): Mr. Speaker, I should like to ask the Minister of Consumer and Corporate Affairs this question. In view of what he has told the House perhaps he would like to clear up a statement he made to me two weeks ago that we would have to wait for a policy with regard to the increasing price of sugar, which is still going up in price, and indicate when may we expect that statement on policy?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Very shortly.

* * *

VETERANS AFFAIRS

POSSIBLE QUARTERLY INDEXING OF DISABILITY PENSIONS—SUGGESTED INCREASE OF PENSIONS OF HONG KONG VETERANS—GOVERNMENT ACTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, in view of the fact there will be great disappointment resulting from the statement that the government does not accept most of the recommendations of the Hermann Report, does the Minister of Veterans Affairs intend to rectify some of those inequities by introducing amendments to the disability pensions as we have done with war veterans allowances?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, this involves a matter of policy, and if it is decided that this should be done it will be announced in due course.

Mr. Marshall: Mr. Speaker, in view of the fact that one of the recommendations denies to widows of prisoners of war the right to have their pensions increased to 48 per cent in order that widows would qualify for death benefits, would the minister indicate to the House if he is considering the recommendation of the committee on the question of Hong Kong veterans, to bring those pensions of veterans who were forced out of the labour force to 100 per cent?

Mr. MacDonald (Cardigan): Mr. Speaker, this is now under scrutiny by our department and we will have some information on it at a later date.

[Mr. Brewin.]

NORTHERN AFFAIRS

POSSIBLE USE OF REVENUES FROM FUEL EXPORT TAX TO REDUCE FUEL COSTS OF NORTHERN RESIDENTS—GOVERNMENT POSITION

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development in connection with the application of revenues from fuel export tax which benefit the federal government, and which are being applied in the reduction of fuel costs to other Canadian consumers. Are any discussions now underway between the minister and officials of the territorial government in respect of the application of some of these moneys to the reduction of fuel costs, particularly home heating fuels north of the 60th parallel in the Yukon and Northwest Territories? If there are such discussions underway, when can northerners expect some relief from the extraordinary high cost of home heating and other fuels being imposed upon them now?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, there are discussions going on in this area, and I have had discussions with the Commissioner of the Yukon, but as yet there is no determination as to how we can find an effective method of reducing their fuel costs.

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EXTERNAL AFFAIRS

CANADIAN PARTICIPATION IN DEBATE IN UNITED NATIONS ON MIDDLE EAST—POSITION TO BE TAKEN BY CANADA

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in light of the fact that the Canadian delegate is expected to speak during the United Nations Palestine debate this week, and possibly within 48 hours, is the Prime Minister now in a position to inform the House what will be the official Canadian position taken at the United Nations regarding the Palestinian Liberation Organization proposal for a Palestinian state?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, no official position on whether we would speak has as yet been made, but if we are to speak at the United Nations during this debate I can assure the House that the House will be informed of the substance of that statement.

Mr. Stevens: Mr. Speaker, is the Prime Minister aware that at the time of Mr. Yasser Arafat's gun-toting arrival at the United Nations assembly one of the government supporters, the hon. member for St. Denis, found it necessary to join other member nations delegates in a standing ovation and, if he is aware of that, does he agree with this representative from Canada who chose to so endorse Mr. Arafat?

Mr. Trudeau: Mr. Speaker, if the hon. member will refer to *Hansard* of a few days ago he will see that the Secretary of State for External Affairs was asked a question along similar lines and gave an answer which I believe had to do with applause meters.

ADMINISTRATION OF JUSTICE

ALLEGED EMBEZZLEMENT AT FORT GARRY HOTEL, WINNIPEG—REQUEST FOR REPORT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is directed to the Solicitor General, and I might say that I have given him notice. As the RCMP has begun an investigation of a suspected embezzlement at the Fort Garry Hotel in Winnipeg, will the minister report on the investigation and indicate if any charges have been laid?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, that investigation is under the jurisdiction of the province of Manitoba.

[*Later:*]

Mr. McKenzie: Mr. Speaker, as the hotel is under the jurisdiction of the minister, has the Minister of Transport launched an investigation into the charge that there are poor accounting procedures at the Fort Garry, and other CNR hotels, and has he investigated the charges made by a former hotel employee which I have forwarded to him?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I would like to hear the argument which would justify the assertion that hotels are under my jurisdiction. I am not aware that they are.

Mr. Fraser: Mr. Speaker, I rise on a question of privilege concerning an answer given to the House a moment or two ago by the right hon. Prime Minister wherein he said that no decision had been made to speak during the Middle East debate. Through you, Mr. Speaker, on behalf of members of this House I suggest there seems to be some inconsistency between the remarks of the right hon. Prime Minister today and the answer given to me on Thursday, November 14, when the Secretary of State for External Affairs said in response to my question as to whether Canada would take part in this debate:

> Yes, Mr. Speaker. I think it is certain there will be a statement by a Canadian representative before the close of the debate.

In view of that, I ask the right hon. gentleman to clarify for this House what the position really is.

Mr. Speaker: Order, please. As the hon. member well knows, questions about inconsistencies or comments on the quality of answers received which may be the subject of debate have scarcely any precedents whatsoever as grounds for a question of privilege. However, the House having heard the hon. member, I feel that before finally coming to a decision on the matter it may be appropriate to hear a comment from the opposite side.

Mr. Trudeau: Mr. Speaker, I would gladly attempt to clarify the matter. It appears that it had been the intention of the Secretary of State for External Affairs to have a statement made on behalf of the Canadian delegation, but it was not certain whether he would make it himself or have someone make it on his behalf. If the latter is to be the case, the minister proposes to make his statement in the House around the same time. These were the plans which were laid but they were not absolutely decided upon and it would depend on the nature of the statement itself. The intention was as the minister indicated, but I am not saying there will be no change.

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ENVIRONMENTAL AFFAIRS

STUDIES LINKING CHLORINATED WATER WITH CANCER—REQUEST FOR INVESTIGATION

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, my question is for the Minister of the Environment and relates to recent studies originating in the United States and the Netherlands which suggest a link between the use of chlorinated drinking water and various forms of cancer. I should like to ask whether similar studies have been conducted in Canada, particularly in our industrial areas and, if so, what are the results of these studies? Will the minister also indicate if she will undertake with her Canadian counterparts in the provinces a thorough review of the present standard of water for human consumption and report the findings to this House?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, the quality of drinking water is a matter of very great concern around the world and we are conducting a number of different studies in respect of this particular subject. I cannot say at this particular point if the aspect the hon. member has mentioned is the subject of any particular study, but I will inquire.

* * *

● (1510)

[*Translation*]

INDUSTRY

TEXTILES—ACTION TO AVOID LAY-OFFS

Mr. Yvon Pinard (Drummond): Mr. Speaker, I have a supplementary for the hon. Minister of Trade and Commerce.

In view of the difficulties being experienced by the textile industry, particularly in my region, where more than 150 workers have been dismissed these last few days by two companies, can the minister tell us whether he intends to take special measures to correct the situation and improve that sector of the industry?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I met with the labour-management committee of the textile industry on Friday last week. At that time I indicated to them I was going to refer, I think perhaps 8 or 9 textile products, to the textile and clothing board for urgent examination.

Mr. Speaker: Order, please. Orders of the Day.

Mr. Nowlan: I rise on a point of order, Mr. Speaker. I have two points of order. The first applies to myself directly and also the business of this House. The second refers to my colleague the hon. member for Athabasca (Mr. Yewchuk). Taking that question first, Mr. Speaker, I

would ask Your Honour since when are general questions of a government policy as to whether it is government policy to change its policy out of order. In other words, as I understood it the hon. member for Athabasca asked the Minister of Agriculture whether it was government policy to still stimulate and increase beef production or to cut it back. I think that question must be seriously considered by all members of the House and by Your Honour so that the time during the question period is not complicated and confused in respect of deliberations between members and the Chair. I think this is a very serious point.

The question was very specific and dealt with government policy. The whole election campaign was fought on the basis of increasing production in all facets of the agricultural economy and here we have a situation where a specific question is put to the minister and Your Honour rules it out of order. That is my first point of order.

Mr. Speaker: Order, please. I do not know how I can construe the hon. member's intervention except by way of some sort of suggestion that further consideration ought to be given to a decision that the Chair has already taken or that the position somehow ought to be reconsidered or reversed. In the light of the change in the regulations of the House which abandons appeals from the Speaker's rulings I do not know how I could possibly consider the hon. member's remarks as being in order.

Some hon. Members: Hear, hear!

Mr. Nowlan: Mr. Speaker, I am just as aware, if not more aware, than members opposite of the rules of the House. I fully appreciate, and I am not challenging, the ruling of the Chair on this particular issue, except that for future questions on orders of the day I think we need some clarification concerning how far members on this side can go in asking direct specific questions of ministers on government policy. I think the question of my friend from Athabasca fell within the ambit of whether there is to be a change in government policy because of the changes which occurred in Washington over the weekend. Mr. Speaker, if we cannot explore that type of question, then the question period is even more castrated than a lot of members feel it is at the present time. That is my only question on that point. I have felt this way for some time.

Some hon. Members: Oh, oh!

Mr. Nowlan: Any member opposite who groans, if he would open his eyes as wide as his mouth, would know that the Committee on Procedure and Organization for the last eight years has been trying to review the procedures of the House, and the question period, in order to make the question period more relevant and a heck of a lot more constructive than perhaps it is at the present time. At any rate, Mr. Speaker, that is my first point of order. I sincerely and seriously ask the Chair to say why a specific question relating to government policy—whether it is still government policy to increase or decrease production—falls flat before the Chair.

My second question of privilege is not as fundamental. It is a little more personal. The Minister of National defence gave a statement on defence on motions on Wednesday, November 13, in this House. I tried to get your Honour's eye on November 13, and again on November 14. Today, because of the gravity of the situation which is affecting the armed forces of this land and because of the apologist for defence who happens to have the clothes of the Minister of National Defence, I moved, for the first time in my life in this Parliament after nine years, a motion under the terms of Standing Order 43. I stated at the time to Your Honour that frankly I thought motions under Standing Order 43 should be reviewed and substantially altered if they are to make any sense in this House. My direct question to Your Honour on my second point of order is: is it now Your Honour's direction from the Chair that a member who moves a motion under Standing Order 43 will not be recognized by the Chair, because up until now almost every member—

Mr. Speaker: Order, please. I find a great difficulty in taking the hon. member's point seriously in respect of being recognized during the question period. To be specific with regard to a reply to the hon. member's remarks, which I find difficulty to put in conformity with any point of order, it seems to me that it was only Thursday or Friday of last week that the hon. member was recognized on a supplementary question on the subject of national defence and declined to pursue the matter.

Under the circumstances I find great difficulty in taking the hon. member's point seriously.

Orders of the day.

Mr. Nowlan: Mr. Speaker, I rise on a point of privilege and demand to be recognized.

Mr. Speaker: The hon. member for Annapolis Valley rises on a question of privilege.

Mr. Nowlan: Mr. Speaker, I have been as reasonable as any member of this House but I must say there is something wrong with the auditory system between this chair and Your Honour's chair when on my second point of order I was asking specifically if in the future Your Honour was not going to recognize members who moved motions under Standing Order 43 which might have an expeditious result in respect of the business of this House so that many members who wish to move motions under Standing Order 43 in abundance will know they will not have a chance to be recognized by Your Honour from the Chair.

That is the reason I am asking as a second point of order whether it was just an accident or coincidence that three days elapsed before I was able to get Your Honour's eye or whether it is to be a future policy of Your Honour not to recognize members who move motions under Standing Order 43 on the basis—as has been argued before the Committee on Procedure and Organization—that if a member has the floor of the House under Standing Order 43 he is taking up perhaps too much of the time of the House under Standing Order 43. That is another argument which I sometimes recall.

Mr. Speaker: For the benefit of the hon. members who may be interested in the point, I am sure an examination of the record will amply demonstrate that on several days in this session members who have risen in their places to put motions under Standing Order 43 have also been

recognized in the same question period. Some days they have and some days they have not. The Chair has absolutely no firm and fast policy in any respect by way of a connection between motions under Standing Order 43 and the question period.

Mr. McKenzie: Mr. Speaker, I rise on a question of privilege with regard to the question I put to the Minister of Transport (Mr. Marchand). I am sorry he has left, but I see that his parliamentary secretary is here. He recognized my question on October 18 with regard to the embezzlement charges at the Fort Garry Hotel. As the Solicitor General (Mr. Allmand) has pointed out today this has been put in the hands of the Attorney General of Manitoba. I understood the Minister of Transport today to say that this is not under his jurisdiction. I should like to point out that the Fort Garry Hotel is part of the CN chain and is the direct responsibility of the Minister of Transport. When public charges are being made I challenge the Minister of Transport to make the statement that this is not in his jurisdiction. I should like the parliamentary secretary to bring this to his attention and I would appreciate an answer just as soon as possible concerning what he is doing in respect of the embezzlement charges at the Fort Garry Hotel.

Mr. Speaker: Order, please. Orders of the day.

GOVERNMENT ORDERS

[*English*]

TRUST COMPANIES ACT

MEASURE TO INCREASE BORROWING POWER OF COMPANIES AND AUTHORIZE ISSUANCE OF SUBORDINATED NOTES

Hon. Mitchell Sharp (for the Minister of Finance) moved that Bill S-7, to authorize federal trust companies and loan companies to increase the monetary limit of their borrowing power and to issue subordinated notes, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Mr. Lambert (Edmonton West): Mr. Speaker, I do not wish to delay this item of business but I should like to draw to the attention of the House the fact that there is one provision in the bill which I think should be drawn to the attention of the public.

● (1520)

Mr. Speaker: Perhaps the hon. member would wait until we proceed to third reading. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. Peters: On division.

Motion agreed to.

Hon. Mitchell Sharp (for the Minister of Finance) moved that the bill be read the third time and do pass.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to read the following clause from page 7 of the bill. It is merely to emphasize what I think is advertised time and time again with regard to trust companies. It reads:

(16) Notwithstanding the *Canada Deposit Insurance Corporation Act* or any bylaw made thereunder, money received by a company from the issue of a subordinated note or by way of a subordinated shareholder loan shall be deemed not to be a deposit for purposes of that act.

There are far too many people in this country who, when they see an advertisement with regard to a guaranteed deposit of a trust or loan company, believe that the investment is guaranteed as to repayment. We have had some unfortunate incidents in the past where that has not been so. The only guarantee is that the obligation is guaranteed as to the rate of interest that will be paid. I am glad to see this provision in the bill, and I hope that trust companies will emphasize that any investment under a guaranteed certificate is not guaranteed as to payment under the Canada Deposit Insurance Corporation Act. That is all I have to say on this bill.

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

Motion agreed to and bill read the third time and passed.

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PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENT TO INCREASE MAXIMUM AMOUNT OF ADVANCE PAYMENT

Hon. Otto E. Lang (Minister of Justice) moved that Bill C-10, to amend the Prairie Grain Advance Payments Act, be read the second time and referred to the Standing Committee on Agriculture.

He said: Mr. Speaker, the cash advance legislation has been an important part of the available means for farmers to obtain cash in the prairies apart from actual delivery opportunities. At the time the legislation was first introduced there were long delays in the delivering of the farmer's crop to the Canadian Wheat Board. We were in a situation for a number of years where the whole of the farmer's crop could not be delivered during the course of the crop year. The situation has changed considerably and in that regard we have been going through a period of years, including this year, when quotas have opened rather rapidly and indeed to very high levels during the course of the crop year. At this point, for instance, although we are only several months into the crop year there is not only a significant quota on all grades of wheat but the quota for the top grade is in fact open, so that farmers have a tremendous delivery opportunity.

Notwithstanding this, the cash advance legislation should not be neglected, and in our view should be kept in tune with the possible needs for important cash early in the season in advance of delivery opportunities. Indeed, it should be noted by the House that the commitment to increase the maximum in the cash advance legislation from $6,000 to $15,000 was part of the over-all review of our feed grain policy and the introduction of the opportunity for farmers to deliver their feed grains and wheat,

oats and barley to the domestic market without delivering them to the Canadian Wheat Board. At that point we wanted to emphasize that while the farmer should have that opportunity—the choice to deliver domestically outside of the board or, particularly for export purposes, to the board—we wanted him to make a judgment on the basis of the merits of the two opportunities and not on the basis of cash pressure in the event he wanted to deliver to the Canadian Wheat Board.

In the case of deliveries to the board, the farmer receives an initial price for his wheat which does not represent its total value. In the case of the open market, he normally receives the full value that he would receive for the grain and he must compare an immediate, full cash price with another price which may well be greater but which will be partly cash and partly a payment to be made in due course when the various circumstances which affect the market have had their play and the Wheat Board is able to determine the total balance of the pool and make a distribution to the farmers. It may be noted that on occasion the initial price and the total receipts of farmers have differed fairly widely, although ordinarily final payments have been fairly modest. Just today I indicated in a notice to the House that initial prices were being increased effective Monday, November 25, to recognize the current buoyant circumstances of prices for wheat, oats and barley. We are increasing the levels of these initial prices to those in effect in the last crop year from March 1 until July 31.

In the case of No. 1 CW, and in the case of barley, we are raising the prices specifically to those levels. In the case of oats, we are introducing a 10 cent increase in the initial price, which will make it 10 cents higher than was the case in the latter part of the last crop year, in recognition of market conditions in regard to oats. I should emphasize, in passing, that the prices announced today are for the basic grades only. The actual prices for the other grades, the differential for Durum, the differential for grades in tough and damp condition, and all the differentials for other grades except these base grades will be announced within the week as determined on the recommendation of the Canadian Wheat Board, having regard to all the circumstances that affect these various grades and conditions. They may well vary in degree in the increase in those initial prices from the increase in the base grades that have been announced.

This bill is relevant to the feed grain policy because it will assist the farmer by providing cash advances, thus allowing him to receive a portion of the cash he will be entitled to when he delivers his grain later to the Canadian Wheat Board and to receive the cash advance without at that point having a quota to deliver on. To the extent that need for cash would otherwise be a pressure upon him to deliver to the open market, whether his judgment leads him there or not, that pressure is removed by these cash advances. It was with this in view that we thought the level of the advances should be raised in terms of the maximum per producer. When the program was introduced, the maximum was $3,000 for producers. Several years later it was doubled to $6,000, and now we propose to increase it to $15,000.

These are simply advances on the amount of money that farmers would otherwise receive upon delivery of their grain, but they are made as though they are payments in advance and for that reason they are, generally speaking, interest-free. The cash, therefore, is in the hands of the farmer as though he had a delivery opportunity early in the season, rather than later. Cash advances will always be less useful or necessary, I suppose, when the farmer's cash receipts are higher and therefore he has cash available and is in a better position to meet his needs. The current cash position in the grain producing area is extremely favourable. Hon. members will have recently noticed figures for the whole of Canada which show that farmers' cash receipts are up to more than 43 per cent in the first nine-month period of 1974.

[Mr. Lang.]

● (1530)

They will have noticed, too, that in the province by province analysis the greatest increases have taken place in the prairie provinces. Saskatchewan leads the way with cash receipts which have moved to $1.93 billion for the nine-month period, from $1.02 billion for the corresponding period a year earlier. That is an increase of approximately 90 per cent for Saskatchewan, over what I believe was itself a record. If one were to take grain figures alone, this situation would be further emphasized. Indeed, it is demonstrated by the way in which the Saskatchewan—and, to a lesser degree, Alberta and Manitoba—figures of cash receipts for farmers perform during the same period. Farmers may, nonetheless, require cash earlier in the delivery year because of the necessity to obtain supplies, such as fertilizer, for the fall and the following season. Even in such a buoyant year, cash advances may be an element in the over-all farm picture. This increase is therefore proceeded with at this time notwithstanding the buoyant position.

On at least one occasion in the past, cash advances were used as a form of stabilization. Several years ago, when delivery opportunities fell to their lowest ebb, cash advances were allowed to exceed the actual amounts that could be recovered on them. Our decision to proceed with a logical and full-scale stabilization program for grains in the prairie region means that this will no longer be necessary. The increase is desirable, however, for other reasons, particularly to allow the farmer to have his cash in advance of delivery opportunity and therefore to balance the fact that this cash is available to him in full in the open market.

The bill increases the maximum available for an individual farmer from $6,000 to $15,000. It also permits recognition of the fact that in certain circumstances more than one person per permit is engaged in full-time farming. The new limit of $15,000 will, therefore, be multiplied by two or by three, as the case may be, where there are two or more real farmers represented by the permit book.

Cash advances have had an extraordinarily good record of repayment by farmers who have benefited from them. In many past years, 99.99 per cent of cash advances were repaid in due course by farmers in the prairie region. This is an outstanding record and I know it will not surprise those hon. members who are conscious of the attitude of the farmers in question and know their willingness to co-operate in plans which they can see are for their benefit.

This legislation was proposed in the last part of the previous session of parliament before dissolution. At that time it would have been possible to introduce the higher maximum for the current crop year. The dissolution of parliament and the ensuing election rendered that impossible, but we hope the legislation will be passed now and will be in operation for the next crop year. I think it is an important part of our over-all endeavour to protect the prairie farmer and to give him a total system of cash and returns to meet his needs, not only in terms of the amount of that remuneration but in terms of the time period in which he will receive it.

Mr. Speaker, I therefore commend Bill C-10 to the House and invite hon. members to refer it to the Standing Committee on Agriculture with dispatch for examination in detail. I think this has been recognized on all sides of the House as an extremely useful program for prairie farmers.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, in rising to take part in the debate on Bill C-10, I must say that I was interested to hear the minister explain the reason for the bill. It should first be pointed out that cash advance legislation was introduced by the government of the right hon. member for Prince Albert (Mr. Diefenbaker) some 15 or 16 years ago. The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) suggests it was 17 years ago, and I believe that is correct. It is interesting to note that the Liberal Party has had a change of heart in the interim period.

At the time the legislation was introduced they said this could not be done, they would not do it, and if it was ever done it would cost the companies huge sums of money, the farmers would not pay it back, and so on. They violently opposed this legislation at first. Now they are enlarging it and the minister gave two reasons for this. I will paraphrase what he said, Mr. Speaker. First of all the minister said that cash advance legislation must be updated. Well, it must keep up with inflation. The cost of production has been going up, and I am pleased to see the government recognizes that. By increasing the cash advance limit from $6,000 to $15,000, the government acknowledges that inflation plays a part.

The minister said that the other purpose of this legislation was the cash pressure on the farmer to sell his grain on the open market. I have come to the conclusion that this is the main reason the legislation is before the House today. Last year the government introduced a feed grains policy which allows the farmer to sell grain to either the Canadian Wheat Board or to the elevator companies. That grain is kept on the open market; it is bought at whatever the going price is and sold at the going price. The minister says this legislation is necessary in order to avert the cash pressure on the farmer to sell on the open market. It is my understanding that grain companies are to keep 10 per cent of their storage capacity open for feed grains on the open market.

The minister also spoke about the increase in the initial price. Members on this side of the House have long advocated the setting of the initial price based on a formula related to the expected price. I have used the figures of 75 per cent to 80 per cent. In other words, the initial price should be 75 per cent of the final price. The minister has played around with the figures for the beginning of this crop year, but in fact at the end of the 1972-73 crop year the initial price received was $3.75 per bushel of wheat, basis Fort William; $2.25 per bushel of barley, basis Fort William; and $1.10 per bushel of oats, basis Fort William. The announcement made by the minister today merely reinstates the initial price for wheat and barley and adds ten cents per bushel to the price of oats.

● (1540)

The minister has not followed any formula in setting initial prices, and this bill does not guide farmers. The original intent of the cash advance legislation was to provide cash to farmers who had about one billion bushels stored on the farm. The farmer who operated under the acreage or permit book system could go to the elevator company and receive a cash advance of up to $3,000. Subsequently, the amount was raised to $6,000 but the basic principle of the legislation was not changed. The cash advance program eased the pressure on the farmer who was short of cash. Under this bill, the government wishes to encourage farmers to sell through the Wheat Board and not on the open market. The government is saying, "We do not want you to sell on the open market. Sell through the Wheat Board and we will give you a cash advance."

Cash advance legislation was introduced 17 years ago for justifiable reasons. It is to be reinstated on the statute books, but this time it is designed to offset the weak feed grains policy which the minister introduced about one year ago. So let's not kid the troops. This is not the same old cash advance legislation, and the minister knows it. The amount of grain in storage on farms at the end of the 1973 crop year does not compare with the amount in storage 17 years ago. Today, farmers are not worried if they can sell grain or get cash for it. The minister has told the House about the number of farmers who deferred collecting money due to them from grain sales made this fall. He did not tell us how much money the Wheat Board is holding back in deferred payments. I suggest that the board is holding back about $500 million in deferred payments which farmers could collect if they wanted to. But the minister did not mention that. The announcement made today reads:

> With the higher initial payments, Mr. Lang also announced that an adjustment payment will be made to all those producers who have already delivered wheat, barley and oats to the Canadian Wheat Board since the beginning of the current crop year on August 1, 1974—
>
> Mr. Lang said that these payments from the Canadian Wheat Board will be in the mail to producers after the processing required, probably after the mailing of the cheques for the 1973-74 pool accounts in January.

The minister said he would not make final payments on 1973-74 pool accounts before January 1. Two years ago, when the minister found it politically expedient to do the opposite, he did so. At one time, final payments were never made before January or February. In the year of the October 30 election the minister said that the pool accounting system could be speeded up and payments made on August 1, before the end of the crop year. Now the minister has changed his mind and has said no final payment will be made on the 1973-74 pool account until January next because farmers are worried about income tax; that is, the payment on grain already delivered will not be made until January.

Even those who know absolutely nothing about farming should realize that if the final payment on the 1973-74 crop year is not made until the 1974-75 crop year, it may look as if initial payments have been increased. Actually, all that will have happened is that certain payments have been deferred; farmers will receive deferred payments for crops they have sold. Quite conceivably, such deferred payments could amount to between $400 million and $500 million next year. So one can see what happens when farmers do not pick up all their money. The question is, why is the minister pretending that this new legislation merely updates the former cash advance legislation, when he knows that we need to correct the situation created by his feed grain policy? I think the minister is worried about that policy. I ask the minister to consider the fact that the companies are buying feed grains at an alarming rate on the open market and this is undermining the government's policy of encouraging farmers to hold their grain and sell it through the Wheat Board in return for the privilege of cash advances.

When he introduced the legislation this afternoon the minister did not say if the amount per bushel advanced is to be increased, or how cash advances are to be paid back. When the minister introduced his first proposal covering cash advances, I prophesied that farmers would draw money out more quickly than they could pay it back. I said that the fund would not work. A year of so later the minister adjusted the program. I gather that under the present program there is to be no change in how much a farmer may have advanced to him. There is to be no change in the amount a farmer can receive as an advance and there is no change in the manner in which it is to be paid back. Therefore, we must examine the concept of the policy the minister is introducing.

For many years, if a family farm corporation worked under one permit book it was entitled to a cash advance as a single entity. Now, each member of the corporation, if it is a partnership or co-op, can borrow up to $15,000. This means that two shareholders, or farmers, can receive up to $30,000 in cash advances. Three or more shareholders, or partners, can receive up to $45,000. Clearly, a corresponding amount of grain must be sold. Thus, the minister has changed the permit book system substantially and the practice followed over the years is to be changed. I suggest that the minister has brought forward this legislation as a result of faults which have developed in his feed grains policy.

We have experienced many difficulties in grain production and in agriculture and the minister has done little to help. He made a great speech to the Grains Council a month ago suggesting that the Crowsnest pass rates should be done away with. Doing this, he said, would facilitate the movement of feed grain at a cheaper rate. How he arrives at that conclusion would be difficult to explain. In any case, it is now well established that farmers are not delivering their grain to the Wheat Board. They are withholding it for a variety of reasons: one has to do with income tax; and another is that they want to determine what they are likely to get for it on the open market as feed.

● (1550)

Recently a number of farmers asked me how best they could sell their barley, whether to sell it on the open market or through the Wheat Board. They wanted to know where they would get the best return. In announcing today that the initial price is to be increased, the minister did not tell us by how much. We understand that demurrage charges with respect to the crop year 1973-74 are to be carried over the crop year 1974-75. This may well affect the final payment for that crop year.

Some months ago there was a great deal of discussion about hopper cars and the Wheat Board suggested that producers would be in the business of buying and building hopper cars. The question that occurs to me is this: would the cost be charged against the Wheat Board account but not against grain moving under the feed grains policy? Some months ago, prior to an election, I think, the minister went to great lengths to suggest that the government would pay for repairing box cars. Are we to learn that this money will come out of the Wheat Board account and not out of receipts from grain sold on the open market for feed in Canada?

I believe it may well come out of the Wheat Board capital account. Why? Some months ago I asked the minister a question in this House about the demurrage charges incurred at Vancouver because grain was not being loaded. It was not being loaded through any fault of the farmer or of the grain companies; it was the fault of the government—the government had intervened to bring about a situation which lasted for some three months. The minister replied unequivocally that demurrage charges would come out of the Wheat Board account. I said at the time that this would mean more than $10 million coming out of that account because of the failure of the government to act with regard to the grain handlers strike. If the minister can tell us that the demurrage charges should come out of the Wheat Board account, why should he not tell us also that the money for the repair of boxcars would come from that account; that is, if one follows the minister's logic? I cannot do so: it is very difficult because the minister works in mysterious ways.

Mr. Lang: The hon. member knows perfectly well that the treasury is paying for these repairs.

Mr. Horner: The minister wants farmers to believe that this cash advance legislation is needed for the same purpose as similar legislation 17 years ago. He told us that some kind of subsidy would be devised in connection with ending the Crowsnest pass rates. Farmers were told, in effect, "Don't despair. Instead of giving money to the railroads, we will give it directly to you." Of course, that was before the election. I often think the farmer may get something periodically, two months or so before an election. On one occasion, before the election which was held on October 30, 1972, the minister was a little late with the payment; he announced it 15 days before the election. Farmers resented that open bribery and rejected the minister on that occasion.

However, the minister moves in mysterious ways and he wants to convince us that this legislation is necessary for the same reason as the cash advances of 17 years ago. It is not. Why, then, is he bringing this measure forward? The

answer is that he wants it to offset a weakness in his feed grain policy: he is afraid that too much will be sold on the open market rather than through the Wheat Board. Anybody who has grown grain on the prairies realizes the strength of the Wheat Board. A number of people find fault with the board. It has not always worked well, but by and large most farmers support it.

Mr. Benjamin: As long as it is left alone.

Mr. Horner: The hon. member for Regina-Lake Centre (Mr. Benjamin) says, "As long as the government will let it alone." I recall a speech in which I pointed out that the minister had intervened in the affairs of the board more often than any of his predecessors. I listed all the hon. gentleman's Liberal predecessors: he had tinkered more and caused more concern than all of them put together. Yet at times he does not tinker enough. We saw a railway strike last something like 60 days. The chairman of the Wheat Board was almost in despair over loss of shipments. Then we saw the grain handlers' strike prolonged because of the minister's intervention and the intervention of the Minister of Labour (Mr. Munro). We saw that strike go on for two or three months longer than it should have.

Even after the railway strike, terminal workers in some parts of the CN system took part in what is commonly called a slow-wheel movement, at the port of Vancouver. The Saskatchewan Wheat Pool contacted the Minister of Labour and the Prime Minister (Mr. Trudeau) to ask for assistance in ending that slow-wheel movement which lasted nearly a year—from February, 1973, almost to February, 1974. The president of the Saskatchewan Wheat Pool says the sale of 16 million bushels was just purely because of that situation.

● (1600)

The minister now comes forward with a small piece of legislation that will have no real effect on the financial and economic climate on the prairies. The last crop year was a relatively good year for grain sales and grain marketings and farmers borrowed $20 million under the cash advance legislation. In 1969, some $272 million was borrowed under the same legislation; but this was the year of operation LIFT, and that and a number of other circumstances made farmers short of cash at a time when there was plenty of grain still in the bins. Each year from 1969 until today the farmers have paid back more than they have borrowed and now net borrowings are down to a low figure.

I suggest the minister would be unable to make any member of the House believe that this cash advance legislation is any cure-all for the difficult marketing situation that may arise this fall, especially with grain that is unsuitable as milling grain. This bill will offer no particular assistance in this regard. Perhaps the minister is attempting to build up for some large, wealthy corporate undertaking cash advances interest-free. For example, $45,000 borrowed at today's interest rates would mean $4,500 in interest alone. This is the largest amount that any corporation, company, partnership, or father-son operation can borrow under this legislation, provided they have the necessary grain. So I would not be at all surprised to see some grain farmers in parts of Saskatchewan borrowing $45,000 from the elevator companies, putting the money in the bank and collecting the interest on it.

Mr. Benjamin: What an awful thing to say!

Mr. Horner: The hon. member suggests that that is an awful thing to say. I readily admit that the truth sometimes hurts. The point I am making is that if the minister wants to enable the farmers to set aside money which they can reinvest at the opportune time—in other words, to set aside a fund to smooth over some of the ups and downs in their operation—then he should do so by greatly changing the system, by introducing something similar to what I might call a registered retirement savings plan, in which farmers can build up a nest-egg to help them over difficult periods. This kind of system would be helpful to the agricultural industry, particularly the livestock breeders.

The members of the agriculture committee will have to take a very close look at this bill and the whole question of cash pressure exerted on farmers today due to the change in feed grains policy. The committee must determine whether this cash pressure is encouraging farmers to sell grain on the open market which normally would have gone to the Canadian Wheat Board. If that in fact is the case, surely we require legislation that more directly deals with this question, rather than using legislation that is already on the statue books.

I would be remiss if I did not bring another matter to the attention of the minister. When he introduced the new feed grains policy he also assured the livestock industry that their cost of transportation would be comparable to the cost of transporting grain via the railroads to eastern Canada. If the minister regards this bill as being part and parcel of his feed grains policy, then we on this side of the House will be waiting anxiously for the other part of his feed grains policy. I wonder why the minister has not introduced that part this year, at a time when the price of stocker cattle in western Canada is so low. Why has he not lived up to the obligation he undertook?

For example, he could have increased the price of calves a cent or two per pound, which would have meant a great deal, particularly at a time when farmers have been asking the federal government to assist the cattle industry, whether in the Peace River area, in northern or southern Saskatchewan, Manitoba or, for that matter, in the Cariboo in British Columbia. The cattle industry has been looking to the federal government for some over-all recognition that the price of feeder cattle today is not what it should be, and they are also looking for freight rates comparable to the rate for moving feed grains.

Having said that, I will watch with interest the progress of this legislation, since I think its purpose has strayed a long way from its original purpose 17 years ago. One wonders whether the minister is doing all he can to live up to his feed grains policy, and whether his feed grains policy will do all he and many others thought it would do when it was announced in the first part of August.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, there is no question that all members of the House will support this legislation in principle. This has been the case since it was first brought before parliament in 1957, after many years of requests for the legislation from farm

organizations, certainly from my own party and, I believe, from the party to my right during the late 1940s and 1950. Since there is no argument about the principle of the legislation, there is no need for the debate to go on at any length; but there are some questions that I hope the minister and his colleagues will consider and do something about when the bill goes to the committee on agriculture.

I have a few points to make and I pass them to the minister for consideration; he may already be aware of them. I understand there is concern among the grain companies over the administration of the cash advance legislation. They are somewhat anxiously waiting to see what agreement the Wheat Board will be submitting to them, since the agreement requires the grain companies, and subsequently the grain elevator agents, to be liable for the loss of any cash advances. I readily agree with the minister that there has been little or no problem since the legislation was first introduced. In fact, if the government were as reliable as the farmers in respect of cash advances, we would be much better off. I would remind the minister that the elevator agent can only take the word of the farmer regarding how much grain the farmer has, when issuing a cash advance. It is not practical or feasible for the elevator agent to go around inspecting every farmyard and granary to see whether farmers have the grain for delivery in order to repay cash advances.

● (1610)

The other point I want to make, on behalf of the elevator agents, is that while they have a liability in respect of the recovery of cash advances, they receive no compensation for handling what is probably half the administration involved in the cash advance legislation. These agents do a great deal of paperwork. This relieves the government and the Canadian Wheat Board from at least this administrative aspect, yet the elevator agent receives no compensation. It should be incumbent upon the government to see that when agreement in respect of the administration of this legislation is arrived at between the grain companies and the Canadian Wheat Board, some measure of compensation is made available to the elevator agents who administer the legislation and are faced with some liability under it.

Regarding the new limits in the legislation, I should like to ask the minister whether he would consider some change in respect of co-operative farms which may have anywhere from 5 to 20 members, in view of the fact that the $45,000 maximum is often insufficient. I have already spoken to a member of the Matador co-op farm, of which I believe there are presently 19 members, who said that in periods when there are many deliveries the $45,000 cash advance maximum is entirely insufficient. I appreciate that this does not involve a large number of farmers, but the minister and I know there are a number of co-operative farms with from three to a dozen or more members, and the maximum cash advance will not be very useful to them. I hope he will consider making exceptions in the case of co-operative farms with a large number of members, thereby providing higher maximum cash advances.

I was pleased to hear the minister announce today an increase in initial prices, as this has been demanded by members on this side, as well as farmers and farm organizations, for many months. There is no question in my mind that the low initial payments being made were nothing more than coercion on the farmer to get him to deliver grain on the open market. As long as the initial prices were below open market prices and the farmer needed cash to meet his harvest expenses, and so on, he had to sell his grain on the open market and most of the time he was not inclined to do so. I hope the new initial price structure the minister has announced will bring the price into line with the open market price.

Having regard to the argument that has been going on between the minister and myself and between the minister and farmers and farm organizations, let me say that it will continue. The whole policy in respect of feed grains is something the farmers thought they got rid of once and for all after the world war. When the minister brought in this feed grains program he told the farmers it was a good program and said he was fully in support of the Canadian Wheat Board and orderly marketing. Although he said the feed grains program was good, he hoped farmers would not deliver grain on the open market but would sell it to the Canadian Wheat Board. For many months the initial price was so low that many farmers had no real choice but to sell on the open market.

I hope that this increase in the initial price will do a great deal to encourage farmers not to deliver grain on the open market. I suppose in this one area the minister and I agree, in that we both hope his feed grain policy will collapse, with no deliveries being made on the open market. This whole policy can do nothing but cause deterioration in orderly marketing and the effectiveness of the Canadian Wheat Board. It seems there was no reason for bringing in that policy other than to detract from the principle of orderly marketing. The farmers did not ask for this feed grains policy, and I am sure neither the grain companies nor the wheat pools asked for it. Farmers' organizations and others still do not know why the minister was moved to bring in this policy or why he felt it was necessary. As far as I am concerned, there was only one reason for it; that was, to try to restore some degree of strength in the Winnipeg commodity exchange to the benefit of speculators and others who like to make a living off the backs of others without doing very much themselves.

The announced increase in initial payments will be welcomed by the farmers and the grain companies. In fact, the minister's announcement today in this regard effectively cut my speech in half, because I intended to say a lot more but now find it unnecessary. In any event, I should like to make a couple of other points on the issue raised by the hon. member for Crowfoot (Mr. Horner). For some time now, successive governments in Canada have played off grain growers against livestock growers, and vice-versa. For years the livestock growers had things pretty good and the grain growers had things pretty bad. Now, with higher grain prices, the situation is reversed, with the result that grain growers are better off and cattle prices are in a mess. These two Canadian groups are almost at each other's throats because of the inadequacy of national policies in this area.

Here again I should like to put forward the suggestion that the two-price system which applies to feed grains is

just as logical in respect of grain for human consumption. There is no reason why the Wheat Board's world asking price cannot be put in place, with a second price being in place for domestic consumption whether it be for human consumption or livestock feeding. That price should have some relation to the farmer's cost of production, and the world price would be of benefit to the producer. This would mean that the price of feed grain would be such as to take into consideration the needs of the livestock industry. I hope the minister and his colleagues will move in this direction.

Such a system with two prices would work a disadvantage to the private grain operators and speculators on the Winnipeg commodity exchange, but I am hopeful that the minister and this government are prepared to move in this direction. I can assure the minister that my colleagues and I will continue to promote this idea. Such legislation is urgently required by farmers in times of high grain deliveries. It would offset the situation which often occurs when we have a winter such as the last one. I might add that the situation is aggravated by the fact that the railroad companies have done nothing to improve the standard of hundreds of miles of their trackage: this will mean that many farmers in a number of areas will not receive rail service and will not be able to deliver their grain.

● (1620)

These advances will be welcomed and will be used particularly by the growers located on what the minister and his experts call low-density lines. They are low-density because the railways do not run trains over them. This is another way of coercing farmers to deliver grain over longer distances to secondary or main line points. The farmers must either do this, at higher cost, or take advantage of the cash advances.

This is another reason I hope farmers will take advantage of the cash advances when they find themselves in this kind of situation and will refuse to deliver grain over longer distances to suit the policies of the government regarding branch line abandonment, designed for the convenience of the railways and the grain companies rather than for the convenience of the farmers and the public.

As I have said, we support this legislation in principle. I hope the minister will consider the two points I have made. The first is that there should be some measure of compensation for the elevator agents, who have to do most of the administering of the program and receive nothing in return, while being subject to some liability under it. Second, I hope the minister will consider an exception to the legislation in respect of the $45,000 maximum in the case of co-operative farms with more than three members, so they may have use of cash advances in proportion to the use that may be made by one, two or three farmers. I am pleased to say that we will support the legislation, and hope it will pass quickly.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I would like to say a few words on Bill C-10. First of all I would like to congratualte the minister responsible for the Canadian Wheat Board (Mr. Lang) for the help extended to western grain producers. I listened earlier to the Tory spokesman who said that farmers had been waiting for this bill for a long time. A few moments ago the NDP spokesman asked the minister who had prompted him to introduce this bill because he said it seemed co-ops had not asked for this bill. We have here one of the minor inconsistencies that may crop up in this House.

That bill was introduced by the Tories nearly 17 years ago. We note ironically that the Liberals of that time had voted against that bill. Today, they are the ones who want to strengthen it, recognizing the need for such a bill after 17 years.

I am quite happy for the western grain producers because the recommendations read as follows, and I quote:

—to amend the Prairie Grain Advance Payments Act to increase from six thousand dollars to fifteen thousand dollars the maximum amount that may be paid to a producer as advance payments in respect of grain to be delivered under a permit book, and under the circumstances prescribed, to privide where a producer is a multi-farmer unit of two shareholders for the maximum amount of thirty thousand dollars, and where the producer is a multi-farmer unti of three or more shareholders for the maximum amount of forty-five thousand dollars.

I think it is simply normal. After 17 years it is time to get in line with today's prices, keep pace with the economy, in view of the spiralling increase in grain prices in recent years.

I think it was simple logic. It is not a favour that the minister is presently doing directly to western producers, he is only following a logical line of thought for the purpose of giving more freedom to western farmers. I think it is the only way for western farmers to go on the open market without always being a little bit of a victim of the Canadian Wheat Board, even though the latter has always done a great job in western Canada. I believe that is the option of competition and it gives western producers another ace in the hole so that they can go to the open market without always being faced with a financial problem.

All that is very nice for the West, we are very happy about it and we also would wish—and I have said this several times since I have been sitting here,—to have an association so that we may obtain federal aid. We too would like to have an association responsible to a minister just like today's Canadian Wheat Board. We, in Quebec, would like to have feed grains organization responsible to a minister. So that the three western provinces could at last trade directly, on equal footing, with the eastern provinces.

I think that is the root of the problem and the origin of all those skirmishes going on between Eastern and Western Canada. We never agree. Why? Because there is always some middleman who is interested in provoking these skirmishes and that middleman is the marketing agent. As long as we are not ridden of those marketing agents we will always be faced with problems. Such is the situation in Quebec these days. After so many years, we still must go through marketing agents to get our wheat from the Prairie provinces. There will be justice in the Eastern provinces only when we have a similar agency in the East to bargain directly with the Western provinces. That organization, for example, an eastern Board responsible to a minister. Why not?

The West has a minister who is responsible for the Canadian Wheat Board. To be fair, let us put a minister in

charge of it and get rid of those financial agencies that gobble up the profits of western producers and eastern consumers. That is the problem, Mr. Speaker. As long as we hang on to those agencies, as long as we refuse to grab the bull by the horns and say: The East is going to be responsible for its purchases from the West, and the two groups will negotiate and come to an agreement without the financiers keeping the better part of the pie, the situation will remain the same.

That is the point I particularly wanted to put before the minister, Mr. Speaker. I am happy that bill has been introduced because it gives us the opportunity to discuss a problem that has been denounced in this House for 10 years but that no one wants to deal with. Neither Quebec nor the other eastern provinces dare make a move to discuss things with the western provinces. The Easterners criticize the Westerners, and vice versa. Everyone seems to be wearing dark glasses that keep them from locating the problem.

I therefore urge the minister to reflect on this problem and I point out to the members of the committee that while I agree with that increase other remedies are indicated which might mean prosperity for the eastern provinces and peace between East and West.

● (1630)

[*English*]

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I had not intended to enter this debate on Bill C-10 until the minister aroused me from my lethargy by putting on record the income that farmers in western Canada are earning. If any person has to be straightened out on this issue, it is the minister. First, I would like to say, for the sake of clarification, that the cash advance legislation of 1957—and this holds true in 1974—is not a hand-out by the federal taxpayer to the western farmer. The farmer pays it back. It is a moral acceptance that when a man earns wages during a calendar year, he has the right to some of them in the year in which he earned them and should not have to wait for that income for two or three years, as was the case in the 1950s.

I was the minister who drafted the legislation in the fall of 1957 as a member of the Diefenbaker administration. I well recall the time when advisers to the government said it was impossible to bring in this type of legislation. It had been put forward in the previous administration on two separate occasions, and for the several reasons advanced by the advisers to the government the previous administration had turned it down. That shows us the great power in the early 1950s of the advisers to take over the minds and souls of the Liberal Party. Nothing has changed. I mentioned the year 1957 for another reason, that is, that at that time farmers all across the country were in a desperate position; hunger was growing in the world and we were sitting on our reserves in Canada. Now that the clock has turned full-cycle and the country is becoming aware that we are in another cycle of great food shortages in the world, suddenly this government becomes interested in the world food program.

I go back in my mind to the years 1973 and 1974 and find the record shows that only one member of this House was asking questions about the shortage of food in the world.

[Mr. Gauthier (Roberval).]

Now everyone is on to the thing and I am stepping out as the one member letting all these people carry it forward. But the problem has been there for 25 years and it will be there longer than 25 years. I am glad to see other people taking up the cudgel.

Let me return to what the minister said. When he said that cash receipts over the first nine months of this year were 90 per cent higher than they were last year, he left the impression that he wanted to carry across this country—that western farmers were rolling in dough. I know something about the income of western farmers. The difficulties they have had since the 1930s have been told over and over again in the House. Believe me when I say that the first year the western farmer broke even so that his operating expenses and interest on the money invested equalled his income was 1972. In 1973 in Saskatchewan, when all these high prices were in effect, he not only paid his expenses, paid himself the interest he had never paid himself before, but made the tremendous amount of $2,200 per family for a whole year's work! That is a fact of life. The year 1973 was the best income year in history for the Saskatchewan farmer, who produces 60 per cent of the grain for export, but he made only $2,200 per family.

I had the impression, from listening to the minister, that now that our income is up so much we are rolling in dough. I would like to see most Canadians across this country trying to live on $2,200 a year. The minister did not mention that in the last three years the average expense of operating a western farm had increased at the rate of 20 per cent, plus, a year. We do not have the figures yet and will not have them until next June for the year 1974, but it seems that the expense increase will hit 25 per cent. As a person who comes from one of the prairie provinces, I know that these expenses will go up. While the average expenses of Canadians have gone up 3 per cent a year, the farmer's costs have gone up 7 per cent. Now that the cost for the rest of Canada is going up by 10 per cent and 11 per cent, farm costs are going up by 20 per cent to 25 per cent. All I know is that when prices go down, costs do not go down but keep on going up.

That brings me to the main point I wanted to make to the minister in all seriousness. He and I have fought across the west on this issue for many years. I hold to the belief that the minister followed the wrong policy from 1968 until 1972 when the government sold western grain on the export market at a price below the cost of production. He argues that that was the right course to follow. That is his view; I have mine. I well remember the election campaign of 1972 when I believe I spoke on behalf of all the farmers who knew how much grain they had in their granaries and on behalf of all those who believed in the organized selling of our grain through a marketing agency which sells grain rather than imposes controls and restrictions. I remember very well saying that we had run out of grain. The price should have gone up in the fall of 1971, on the basis of the information before the government. But the minister, during that hot summer of 1972 said, "There is lots of grain". When the election was over and the price was up to $3 or $5, he was very quiet because there was no grain.

The minister has made horrible blunders in his assessment of the international grain market and that cost has

been met by the farmer. In all the years 1968, 1969, 1970, 1971 and 1972 the minister and the government kept grain prices down deliberately on the basis that this was competing. The minister said, "We must remain competitive." That is one point. The second point is that the minister and this government brought in a program in 1970 to take the western grain farmers out of wheat. This minister not only told them to get out of growing wheat, and gave them the inducement of $6 an acre to move into other crops or to summer fallow and hold the land idle, but said, "If you do not do what you are told, you will not be allowed to sell on quota and"—by inference—"you will not be allowed to pay back your cash advances." That was the first time a government of this country had ever forbidden a man to grow food—and it was done by this minister. Now he comes here today and has the gall to say that income in 1974 is 90 per cent higher than it was in 1973.

Mr. Lang: Cash receipts in Saskatchewan, in the first three quarters.

Mr. Hamilton (Qu'Appelle-Moose Mountain): He says that cash receipts in Saskatchewan, for the first three quarters, are 90 per cent higher. He has the colossal gall to bring that figure to the attention of this House and leave the impression that farmers are rolling in dough. I am saying that when you take off the expenses of operation and interest charges, the farmer has barely enough to pay minimum wages. Let us compare the situation with that of 1973. In 1973, all the Saskatchewan farmer received in the full calendar year, after expenses and interest, was approximately $2,200 per family. This is the type of living condition that the minister calls rolling in dough.

● (1640)

Mr. Speaker, the western farmer, rightly or wrongly—but certainly of his own free will—has entered into a socialist system of marketing. He has put his fate into the hands of the Canadian Wheat Board, and quite willingly, but he expects that in return it will endeavour to get him the highest average price possible. Generally speaking, the Wheat Board has an excellent record. But having put his fate in the hands of a socialist agency over which parliament or the minister has no control, or should not have, he expects in return that this government will protect him against rises and falls in world prices.

From 1932 to 1949, farmers fought for some form of international rule of law on prices and the allocation of wheat. That was achieved in 1949 by agreement among some 50 nations, and from 1949 to 1967 wheat farmers in Australia, Canada, Argentina and the United States had the protection of an international agreement that set a floor and a ceiling on prices for a three-year period. If the price rose too high, then supply had to be guaranteed. If the price dropped to the bottom, then the demand had to be met by recipient countries on a quota basis.

This rule of law on price and allocation gave farmers a stable, though not large, income from 1949 to 1967. That held until this government, along with others, destroyed the International Wheat Agreement and replaced it with an International Grains Agreement which never took hold. All that remains is the shell of an administration framework in London, England. For the first time in a generation, wheat farmers of the world are without an international agreement on price and allocation of supply in case of emergency.

I have sat in this House during 1972, 1973 and 1974 and have heard all about a two-price system for the little 50 million or 60 million bushels that go into domestic supply, but not one speech have I heard from the government about the billion bushels that go for export each year. Today, the grain farmers of the world who grow coarse grains and feed grains are as naked as a jay bird. The farmer in the wheat growing areas of the world, without any protection as to world price, is a streaker and does not know it. He worries about how long prices will last, because he knows that if there is a surplus of grain in the world the $5 price will drop to nothing. How will he then meet his expenses, his heavy interest rates, and so on?

The minister's talk of getting rid of the Crowsnest pass agreement has been worrying farmers. That agreement was made some 70 years ago. With 300 million bushels of grain going to export positions, the railways broke even, and now with putting a billion bushels a year into export position, the railways are making money on the Crowsnest rates. Why should the minister stir things up by saying this rate should be looked at? Two years ago he said he was going to look at the open market, and now we find ourselves in it so we must assume the minister is serious when he says he is going to do something. I did not take him seriously when he said he was going to bring us into the open market, but he did it. If he is serious about the Crowsnest base rate, we have no choice but to fight every inch of the way.

When we start talking about branch line abandonment and inland terminals, they will be tied up in our minds with the minister's new concept of western Canada. Our elevator system is 50 years out of date and our transportation system is 25 years out of date and should be replaced. We need to spend $3 billion or $4 billion on port facilities for the west coast—and goodness knows how much on the east coast. We need all these things now, and we have the technology. But all the minister does is brag about how much the farmer makes. It makes him look like one of these Montreal organized-crime types. Really, the farmer is barely earning a wage.

Mr. Speaker, I have a few words to say to members of the Social Credit Party. No farmer in Canada suffers more than the farmer in eastern Ontario, Quebec and the maritimes. We in the west talk about how we were just getting proper wages in 1973, but even in the good years of 1973-74 the eastern farmer was not making enough money to pay the interest on what he invested in his operation. He therefore has no income at all as far as wages are concerned. In February, 1962, a bill called the eastern feed grains assistance act was introduced in this House by this party, but was not passed because our government was defeated. There has been no indication since that successive governments have been aware that we need every eastern farmers in order to help feed a hungry world. They produce commodities that we cannot produce in western Canada because we are a desert. They can produce trees. Some hon. members will remember when a forestry act was introduced setting up a department of forestry because of the desperate need for fibre.

I do not see any sign of eastern farmers shifting into a combination of beef and tree production. All I see is a comedy of blunders in the beef industry this past year and a half. Canada does not produce enough beef to feed her own people and has to import 15 per cent of her needs. We draw on the protein supplies of the world for 15 per cent of our needs. By unilaterally removing our tariff in 1973 and encouraging farmers to flood our market with a few thousand head of cattle, the government destroyed the price base and has played ping-pong with beef ever since.

Madam Speaker, I think this legislation, regardless of its apparent function—and it is there, obviously, to carry out a firm moral principle—is sound legislation. The $15,000 ceiling now is the same as the $6,000 ceiling in earlier days. The purpose of the legislation is fundamentally sound, that is, to keep the farmer from going too deeply into the open market system at the present time. In the main, I think the legislation should be supported.

● (1650)

I conclude with this fundamental position. I ask the minister to take his mind off the Crowsnest rates for a while and to re-establish the International Wheat Agreement so that farmers who produce grain will be governed by a stable rule of law which will take care of prices and allocation of supplies for the next 10 or 15 years. If he does that, he can make his next four years in parliament worth while.

Mr. Frank Hamilton (Swift Current-Maple Creek): Madam Speaker, Bill C-10 amends the Prairie Grain Advance Payments Act, an act that has been well accepted across the prairies and was brought in by the government headed by the right hon. member for Prince Albert (Mr. Diefenbaker), as previously stated. It was introduced during the 1957-58 crop year. Back in those days the advance was paid at the rate of 50 cents per bushel for wheat, 20 cents per bushel for oats and 35 cents per bushel for barley, the maximum of $3,000 being paid to any one producer.

The amendment before the House shows the dramatic increase in operating expenses for western grain agriculture. The act was amended in 1968 and payments were increased to $1 per bushel for wheat, 40 cents per bushel for oats and 70 cents per bushel for barley. The maximum for any producer was increased to $6,000. These cash advances are based on wheat, oats and barley harvested and in storage in the farmer's bins. The farmer, of course, must await quota levels which will allow him to deliver his grain to the Wheat Board and he pledges to deliver the committed grain as the quotas open. As has been said, the cash advance is not a hand-out by the federal government; it is actually the farmer's own money, paid to him while he is awaiting delivery quotas. If the producer is in default, appropriate action is taken even up to prosecution.

The present legislation places an additional administrative burden on the Canadian Wheat Board and country grain elevators. In 1972-73, the number of accounts in default totalled 3,538. Altogether, 1,468 accounts were taken to the Federal Court of Canada. Overdue accounts tend to create bad feeling between the grain buyer and the grain producer. Over the years, more than $1 billion has been taken by the producers in cash advances and the repayment record has been very good, only a small fraction—less than 1 per cent of accounts owing—remaining unpaid. This year, already $28 million in cash advances has been taken out by producers, clearly establishing the need for this legislation.

As I said previously, the Canadian Wheat Board has been assigned the responsibility of administering this act which has been in existence now for about 17 years. The effects of grain companies being agents of the Wheat Board have filtered down to the country grain buyer. Thus we see the government continually sloughing off its responsibilities to grain companies. They are forced to act as agents of the government, with all the political implications involved. When the producer gets a cash advance, he goes straight to the bank or credit union with it. That is where the transaction should take place. Initially the forms might be held by the country elevator and, if necessary, signed by the grain buyer or a commissioner for oaths, as happens at present. Nevertheless, the entire administration of cash advances is properly the business of our banking system which should be responsible for the collection of this money.

We have piled far too much work on our country elevator operators. I have talked to these people, and it is apparent that unless the system is changed we shall experience real difficulty in recruiting men to fulfil this function. Only in the last two years have country grain buyers in Saskatchewan been relieved of the responsibility of collecting overdue municipal taxes. That was an unjust responsibility. The federal government is still piling responsibilities on these companies and involving them in this greatly expanded cash advance legislation.

The fact that advances are to increase to $15,000 per individual, $30,000 for two people and $45,000 for three, shows the extent to which farm production costs have escalated. Although $15,000 may sound like a lot of money, it represents two truckloads of flax or, in other words, 1,500 bushels of flax or one hopper car of wheat. The producer is to pay full income tax on the advance in the year in which it is taken out. He may exercise the other option, of course, and take out a bank loan; in that case he will pay the tax in the year in which it is repaid. I should think the government could give the producer a break by deferring payment: it could require him to pay tax in the year he repays his cash advance.

I support this legislation, with two reservations. This is just one more law which tends to isolate the producer from the marketplace. For instance, during the west coast grain tie-up producers were not affected directly because so many laws come between them and their actual pay cheque. This is another such law. Finally, I ask the minister not to overload grain buyers with paper work. Let him be careful to avoid that in this and in future legislation.

Mr. Towers: Madam Speaker, may I call it five o'clock?

The Acting Speaker (Mrs. Morin): As the House will be considering different business at eight o'clock, the hon. member might wish to move the adjournment of the debate.

Mr. Towers: I so move.

On motion of Mr. Towers the debate was adjourned.

The Acting Speaker (Mrs. Morin): It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions and public bills.

PRIVATE MEMBERS' MOTIONS

[*English*]

INCOME TAX ACT

SUGGESTED AMENDMENT TO PROVIDE DEDUCTIONS FOR VOLUNTEER SERVICES PROVIDED FOR CHARITABLE ORGANIZATIONS AND GOVERNMENT AGENCIES

Mr. John Reynolds (Burnaby-Richmond-Delta) moved:

That, in the opinion of this House, the government should consider the advisability of amending the Income Tax Act to provide for deductions for volunteer services provided by a taxpayer on behalf of either a charitable organization or a federal, provincial or municipal agency.

He said: Madam Speaker, volunteer workers comprise one of the main groups in this country who keep certain activities alive in our communities. I know the Secretary of State (Mr. Faulkner) has great concern in this respect. During the last election campaign he mentioned across the country that he was going to set up a committee or a council on voluntarism. Two weeks ago the minister was speaking before the advisory council on voluntarism, and I should like to read into the record a report by the Canadian Press calling attention to some of his statements:

● (1700)

The advisory council on voluntarism should suggest ways in which the federal government and voluntary organizations can co-operate to improve the quality of life in Canada, Secretary of State Hugh Faulkner said Sunday.

Faulkner, speaking at a conference of national voluntary organizations, announced the appointment of 15 members to the council.

Establishment of the council, which has a two-year mandate, was announced during the election campaign in June.

The minister suggested that the problems of recruiting members and financing volunteer organizations be studied by the advisory council.

He said: "There is a great need for more collaboration between the federal government, the voluntary organizations, the foundations, and the corporations to avoid duplication and to encourage a more rational use of limited resources. The council's advice in this area would be particularly welcome."

The minister also suggested that further study be made into the government policy of subsidizing organizations which oppose its policies. He added: "I believe it is a sign of healthy and vital democracy if governments feel able to subsidize constructive dissent".

He mentioned as examples of this policy grants to women's groups and native organizations which often criticize government.

The possibility of subsidizing intervention by voluntary organizations before regulatory bodies such as the National Energy Board or the Canadian Transport Commission should also be studied by the council, he said.

The conference has gathered for the first time leaders of about 60 national voluntary groups such as the Red Cross, the Boy Scouts of Canada and La Federation des Femmes Canadiennes Françaises to discuss matters of mutual concern.

Volunteers in this country are doing a great job: I do not think anybody would deny that. We have cases of people throughout this country driving their cars once a week from, for example, my constituency which is 20 miles from a major hospital where a great deal of work is done. People use their cars to drive others who cannot walk and are in wheelchairs to hospitals every morning. This costs them a great deal of money for which they are receiving no compensation whatsoever. We have people coaching soccer teams, football teams and hockey teams. They go to great expense. I know in my own case, as a member of parliament often away from home during the week, the coach of my three sons soccer teams has to come to my house to pick up my children because there isn't a bus service in the area, this involves his driving an extra 20 miles every time they play soccer, which is six time a week for the three of them.

These are expenses being met out of people's pockets, sometimes people who cannot really afford it. Yet they look around and they see OFY grants and LIP grants that are not always meeting the needs of various areas. I do not want to be too critical in this area because many of us have set up advisory groups for these programs and they are much improved over what they were a couple of years ago. But I still think there is a bad taste left in many people's mouths over some of the grants that have been handed out in the past.

These volunteers are seeing a society that seems to be spending more money on welfare than they think should be spent. They are seeing waste by government. I think a good case of waste is the government's funding of this volunteer organization to the tune of $10,000. Is this the type of money we want the government to be spending? The volunteer organization which the government is supporting and setting up may come up with many useful ideas; but one of its main points, we hear from the minister, is that it is to recommend to various volunteer organizations just where they should go in government to obtain money. I thought Information Canada was set up for that purpose. Why do we need another bureaucracy to tell people where they should go to get funds from government? Information Canada was set up for that purpose and it should be used for that purpose, as should the minister's offices.

I do not intend to speak very long on this subject because I think it is straightforward. It is explained in the motion. We are asking the government to consider the feasibility of allowing volunteer workers to get a tax deduction for the amount of money they spend out of their own pockets on volunteer work. This is being done in many countries. I do not think it is too much to ask the government to consider this suggestion. I know, in a motion of this type and in a major financial area such as this, the government will want time to study the proposal and determine whether it is feasible. I am not an economic specialist and I do not know whether it is totally feasible, but I think at least we should bring the subject before a committee so it can be discussed. That is where full discussion should take place, in committees of the House and not in organizations outside the House of Commons.

I have spoken to many volunteer organizations that are having a hard time getting volunteers to work for them. They are getting a throwback from these people who are saying, "I would love very much to take Mr. Jones down to

the hospital twice a week in my car, but with the cost of gasoline today and the cost of everything else, I can't afford to do it." Let us not stand here for an hour and talk about this, Madam Speaker: let us put it into a committee and discuss it. I think we can discuss it in committee on a non-partisan basis because I do not think it is a partisan subject. I hope the government will not take up the 47 minutes that are left. I am going to sit down, and I hope we can agree to send this subject to committee so that we can discuss it, examine the pros and cons and come up with a solution in the long run.

Mr. Alan Martin (Scarborough West): Madam Speaker, in proposing that the government consider the advisability of amending the Income Tax Act to provide for deductions for volunteer services provided by a taxpayer, in addition to the normal deduction already provided in respect of monetary contributions, the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) touches an area which at first sight does seem to give rise to an inequity in the Income Tax Act as it now stands. On the surface, it would seem reasonable and fair that a taxpayer who devotes considerable portions of his or her personal time and energy—

Mr. Reynolds: And services.

Mr. Martin: —and services to a worthy cause should receive some form of tax benefit in the same manner as benefit is provided for those who donate cash or kind to the same worthy cause. The proposal further tends to appeal to one's sense of equity because very often these devoted individuals in the final analysis are responsible for the existence of many worthy charitable organizations, whereas the donor of cash or kind is able to make his or her donation without the need for further personal follow-up or involvement.

Assuming that we were to proceed with the motion as put forward by the hon. member, we would have to make some attempt to examine the feasibility of the proposal from both the administrative and the revenue aspect. Let us consider for a few moments the administrative factor alone. Only in comparatively recent times has adequate control been implemented in the approved methods of handling books, accounts and receipts for cash donations to charitable institutions. For many years there was some question whether receipts in a number of instances were legitimate in terms of the nature of the charitable undertaking or, indeed, whether the organization was substantial enough to warrant the granting of valid receipts for donations for income tax purposes.

Recent tightening-up has introduced certain new administative ramifications in respect of the operation of numerous charitable organizations throughout the country. But on the whole I think the new procedures have been generally well accepted as a necessary move by the government to ensure equity and fair play in all instances. However, a move to enlarge the scope of donations so as to entitle one to a receipt in return for services rendered, would serve to introduce new administrative procedures of a scope which would tend to bury many of our voluntary organizations in a deluge of paperwork and office arrangements with which, in all likelihood, they would be unable to cope in normal circumstances.

A few illustrative examples come to mind, Let us consider the church workers who spends many hours each week and each month on projects associated with his or her church which are most important to the individual concerned and which, indeed, rank high in the list of priorities for the use of personal time available over and above that associated with the normal course of employment. To operate the system proposed by the hon. member with any sense of equity it would be necessary for each church across the nation to maintain careful records of the time devoted by the individual, and then ensure that a value was placed on his or her time in order to determine the appropriate amount for a charitable receipt that would presumably be issued at year-end. I select this example of a church worker because it seems to me it is one that could be multiplied thousands of times across this nation. It could be repeated for the volunteer in Scout or Guide work or in scores of other philanthropic and essential Canadian institutions.

● (1710)

The two more obvious questions that immediately arise relate to the appropriate value to be placed upon the services of such an individual and the procedural methods by which the time that such individuals devoted to the charitable organization would be logged. I do not think I need go further to illustrate the potential difficulties involved.

Next we might take the example of two individuals of substantially differing income brackets who volunteer their services with the same charitable organization. How would the value of the respective services of these two persons be determined? Would it be fair to determine, in one case, a value for services that is considerably higher than in the other case because of their differing income situations? Alternatively, would it be fair to equate the time they both spent at the same value? I think that either method would produce a degree of inequity that would tend to make the proposal, from this aspect alone, extremely difficult to justify and administer. If we were to accept that differing values should be allotted to people of differing income brackets engaged in the same type of volunteer social work, the question then becomes one of determining who should make such judgments and how extensive would be their authority in this regard. This, in turn, leads to all sorts of speculation as to how this particular aspect of the question would be resolved.

I would like to return for a moment to the matter of equity as it relates to the proposal put forward by the hon. member. I mentioned at the outset that the proposal would initially seem to provide more equity under the Income Tax Act if, indeed, donations for services rendered were to be permitted as a deduction in accordance with the treatment given to donations of cash or kind. I do not think however, that we should accept this argument at face value without examining it a little more deeply. Such examination, I believe, tends to dilute the equity argument somewhat, as may be seen in the following example. Mr. A., who works a standard 40-hour week and earns $5 per hour, is a devoted subscriber to the cause of the mentally retarted in Canada—I use this only as an example—and donates four hours of his time every weekend to assisting the recognized group in his area on various

projects associated with the cause of the mentally retarded. In this straightforward and probably unusual type of example, Mr. A. clearly donates a value of time that could be calculated at $20 per week to this particular volunteer organization.

A neighbour of his, Mr. B., who also works a standard work week and earns $5 per hour, is also interested in the cause of the mentally retarded in his area. Rather than taking Mr. A's approach, however, Mr. B. feels that his particular contribution would be more valuable in the form of cash. Accordingly, Mr. B. takes on a part-time job each week end at which he works for a period of four hours and earns an additional $5 an hour for this extra work. Mr. B. then proceeds to turn over the $20 so earned to the cause for the mentally retarded and makes his donation to the association with whom Mr. A. is engaged on a volunteer-time basis.

In this way, the approximately $1,000 per annum that Mr. B. earns over and above his normal salary is turned over to a charitable organization and he is issued a receipt for $1,000 in recognition to this donation. The $1,000 earned, however—this is the important point—is added to his taxable income and reported on his T-4 slip at the end of the year. The charitable donation receipt simply allows him to revert to his normal salary for income tax purposes. It becomes a deduction. In other words, the additional $1,000 of income is offset by the $1,000 charitable receipt. His position for income tax purposes, vis-à-vis that of Mr. A., is thus identical.

Were Mr. B. not provided this taxable benefit for $1,000 of additional income turned over the charitable organization, he would indeed be in an inferior position to Mr. A. for income tax purposes. Alternatively, if Mr. A. were given special recognition for his four hours of time donated to the charitable organization each week, he would accrue a $1,000 charitable receipt benefit which would have the effect—this, too, is an important point—of putting him in a more favourable position than Mr. B. who has donated his substance to the charitable cause by way of tax donation.

In other words, the proposal of the hon. member would, in the instance covered by this illustration, serve to introduce an inequity into the tax system that would favour the individual who was donating time rather than cash. I think this is an important point in that it does tend to dilute the equity argument that seemed in the first instance to be relatively strong in relation to the proposal put forward by the hon. member. Only when one comes to look into this question does that particular equity argument tend to diminish.

Finally, I would like to make reference to what I think might be interpreted as a philosophical approach to the question at hand. The selection of priorities against which an individual will devote portions of the 24 hours available to him or her in any one day is a very personal matter that frequently relates to the basic make-up of the individual, as well as to the situation in which he or she may find themselves in relation to the simple matter of time available for worthy causes of a non-income producing nature. I am not at all sure in my own mind that it would be desirable for the income tax laws of the country to attempt to influence these priorities. I believe this is particularly worthy of consideration when one considers, as one must, that such influence in favour of encouraging more time to be devoted to volunteer organizations would be accompanied by a substantial drain on the public purse that would have to be made up by the imposition of additional taxes at some other level.

For example, it seems to me that the pensioner who elects to donate some of his or her experience gained over the working years to a charitable organization by way of free provision of his or her services for a portion of each week, would be making such a decision based on his or her own philosophical approach to how they wished to spend some portion of the free time available to them. I do not believe the Income Tax Act should attempt to reward such individuals, however, for this particular selection of priorities. The income earning individual who has not yet reached retirement age might wish to make a similar choice of priorities as to how to spend his or her time, but is simply unable to do so by virtue of the continuing necessity to spend most of this time earning a weekly salary or wage.

The same argument could be made, probably more tangibly, in the case of the wealthier individual whose high rate of income is not dependent upon the need to work for a living in the normal way. I simply do not think it would be just for the Income Tax Act to provide a benefit for such persons because of their ability to devote so much more time than their neighbours to their favourite charitable cause.

● (1720)

I think the motion put forward by the hon. member has merit. However, I would suggest that the arguments against it are sufficiently strong to justify continuing the provisions under the Income Tax Act by which no recognition by way of a tax benefit is given in the case of services rendered on behalf of a charitable organization or a federal, provincial or municipal agency.

Mr. Cyril Symes (Sault Ste. Marie): I had not intended to participate in this debate and I will be very brief, but I become somewhat disturbed by government backbenchers playing the role of talking out motions such as this one, which I think has considerable merit, and by the way they do it—by setting up straw men in anticipation of the legislation and knocking them down with all kinds of arguments. The motion before us merely asks the government to consider the advisability of allowing tax deductions for taxpayers who contribute volunteer services to charitable organizations. The hon. member for Burnaby-Richmond-Delta (Mr. Reynolds), whose motion this is, merely asks that it be sent to committee for further study. I think that is a perfectly reasonable and legitimate request.

It is my belief that all Canadians, and certainly members of this House, are cognizant of the important role volunteers play in our society; they are aware of the need for dedicated people to help the less fortunate. The human touch a volunteer organization gives cannot be replaced by any kind of government agency or bureaucracy which tends to be very legalistic and removed from people's everyday needs.

It seems to me the motion is even more advisable in this day and age of increasing inflation, when it is all the more difficult for a person to donate the level of volunteer service he may have donated in the past. Let me give one example of a volunteer driver who is driving, say, pensioners or disabled persons to an administrative office in town, to a civic function, a shopping centre or to the doctor. Today this has become even more expensive because of huge increases in the cost of gasoline. This puts an extra burden on the person who is already willing to devote time and his own money in the form of driving his car and paying for the fuel. Therefore, it seems to me that if a volunteer could be given some kind of relief or some kind of cushion by being able to deduct some of this expense, it would at least maintain the high level of volunteer participation we have today, and would perhaps even encourage a higher level in the days ahead.

The hon. member for Scarborough West (Mr. Martin) raised a number of objections on behalf of the government. His first point was that to implement the idea of a tax reduction for voluntary services would cause great administrative problems for the government. I do not know the degree to which this would be complicated, because already we have travelling salesmen who are able to deduct car expenses and a portion of the expenses of maintaining their residence used for business. This is a simple procedure already provided for in the Income Tax Act and I do not see that it would make it much more complicated if we added another section to our income tax forms allowing for deductions for volunteer services.

The hon. member also raised the problem, as he stated it, of extra paperwork for volunteer organizations in that they would have to place a value on volunteer services. I think a set of tariffs could be produced in the regulations that would make it very easy to decide which services were justified for tax deduction and the amount to be allowed.

The hon. member on the government side also raised the problem of the inequities that would exist, in that one income group could take advantage of a deduction not available to somebody else. He assumes that the deductions would bear some relation to income. Why could there not be a set rate for tax reduction for different services provided, with a maximum amount of money deductible, and on top of that a total maximum deductible for volunteer services for all taxpayers no matter what their income level, as is now the case with charitable tax deductions?

If we allow this matter to go to committee, we can look at the so-called problems, alternatives and merits of the motion. Surely it is a reasonable request by the hon. member for Burnaby-Richmond-Delta that we look into his motion in order to bolster the role of volunteer agencies and volunteers themselves in our society. Unfortunately, I know that these comments will fall on deaf ears because several government backbenchers will rise during the next 35 minutes to talk out this commendable motion.

Mr. A. C. Abbott (Mississauga): Madam Speaker, speaking on the motion introduced by the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds), let me say that I think it is particularly appropriate that hon. members in this private members' hour should be dealing with a taxation measure, considering that tonight the Minister of Finance (Mr. Turner) will be introducing his budget. All of us are looking forward to this great evening, especially those of us who are in the House for the first time.

Mr. Knowles (Winnipeg North Centre): You are due for a let-down.

Mr. Abbott: The hon. member suggests that we are due for a let-down. But, of course, the great let-down was for the opposition when it proceeded last spring to defeat the Minister of Finance's previous attempt to introduce a budget. The consequences of this ill-advised procedure were many. First, Canadians were temporarily deprived of some beneficent tax measures which the minister was attempting to make into law; second, certain members of the opposition were unfortunately, from their point of view, unable to return to join the thirtieth parliament. Of course, every cloud has a silver lining and the result of that defeat, unfortunate as it seemed at the time to so many Canadians, resulted in the return of a majority government in which Canadians take such pride and pleasure today.

The hon. member for Sault Ste. Marie (Mr. Symes) has cast a skeptical eye on this debate and the response of government backbenchers, characterized by the scholarly and fulsome comments of the hon. member for Scarborough West (Mr. Martin), in which he attempted, with a very high degree of success, to elucidate the complications and complexities this ill-considered motion contemplates. To simply suggest that the purpose of the thoughtful remarks of that hon. member was merely an attempt to talk out the bill is absurd. I think, also, it was an unfair characterization of the words of the hon. member for Scarborough West who was able to show the House with great precision and skill the pitfalls of any such contemplated measure.

● (1730)

The illustrations used by the hon. member for Burnaby-Richmond-Delta were somewhat personal in character. They referred to the importance of his position in this House of Commons and his absence from home, which resulted in his being unable to fulfil his fatherly obligation of conveying his children to hockey games. The question which must be asked is whether the charitable gesture of the coach or friend was a donation to the people of Canada the better to enable the hon. member for Burnaby-Richmond-Delta to deal with his important responsibilities, or whether it was a donation to a charitable cause represented by the athletic endeavours in his community.

I should like to refer to the Commercial Clearing House Report, CCH Canada Limited. The comment at page 2513-3, dated 1973, states:

> The Minister of National Revenue made the following statement in the House of Commons with respect to amateur athletics (*Hansard*, 7423): 'Organizations formed for the purpose of furthering or promoting amateur athletics are not considered to be charitable organizations within the legal meaning of that term as used in the Income Tax Act. Contributions by business and industry to any branch of amateur athletics are not deductible as charitable donations for income tax purposes. The only exceptions to this general rule are for national organizations, donations to which have been allowed for many years.'

In supporting his contention in respect of this motion the hon. member has selected, I believe ill advisedly, a

form of activity which in itself is not charitable in nature as defined by the Income Tax Act. Therefore even a financial donation would be ineligible if made in respect of this particular form of activity. This characterizes and demonstrates the difficulty of attempting to appraise what would be the form of service rendered by an individual in carrying out an activity for a supposed charity which is not, in the circumstances, indeed a charitable endeavour.

It can readily be seen by the chosen example of the hon. member that he would not be able to deduct the expense of his automobile. He would not be able to donate a cash contribution which he might properly make in light of the fact that he is absent from his community and unable to fulfil, on a voluntary basis, the support which I am sure he would normally give to this kind of worthy athletic endeavour. In any event it demonstrates that the tax apparatus which we must follow defines the limits of the donation and the type of organization in respect of which the charitable donation might be made.

Hon. members might think me remiss if I did not quote again from the CCH in respect of the meaning of a gift, which is what we are considering, that is now permitted by the act. It states:

The accepted meaning of a 'gift' is that it is something parted with for no consideration. If the donor expects some benefit or enjoyment in return, it is not a true gift. 'Gifts' are sometimes made by corporations to charities for business reasons and may be deductible in full—that is, not subject to the 20% limitation as business expenses. However, a gift to a foundation for the advancement of knowledge in a field closely related to the taxpayer's business was held to be a charitable donation . . . The Department has stated in its Information Circular . . . that the following payments are not eligible for deduction: private benevolence; payments for membership and tuition fees where a benefit may accrue to the donor; amounts paid in 'loose' collections where a donor cannot be identified; the value of services rendered;—

That is what we are discussing this afternoon.

—donations of merchandise where the cost has been charged as a business expense; donations of old clothes, furniture, etc.; and amounts paid for tickets for card parties, bingos, lotteries, etc. even where the events are held for charity. There are exceptions to this last prohibition, however, as already stated, where there is a clear intention to make a gift over the normal value of the entertainment.

In considering once again the matter of the friendly constituent, no doubt of the hon. member driving his children to a hockey game, it is a question of whether this act is done purely out of charitable instincts, or whether it is done in an effort to give the hon. member a comfortable knowledge that everything is being looked after on the home front, and that a feeling of appreciation is engendered on the part of the hon. member to which he may respond in some form at another time. So again the question is whether the value of the service could properly be termed charitable. I shall not labour this.

I believe I have made clear the point that in an attempt to define charitable donations, even if they should be proper charitable donations under the present act, there are real difficulties created which I believe have been elucidated by the hon. member for Scarborough West.

Another question arises in the case where the contribution may be deemed to be a valid one, not taking into consideration a service such as driving children to a hockey game but perhaps the provision of voluntary services for a clearly demonstrable charitable purpose. In this case there are administrative problems for the department. For example, let us assume that two people volunteer to drive a car for the Red Cross, one of whom is a doctor whose time is worth perhaps $150 an hour or more, and another who is perhaps a wife, who does not earn.

Mr. Forrestall: A tax consultant like you probably gets $250.

Mr. Abbott: At the moment I am earning considerably less than that.

Mr. Forrestall: Why don't you have them do something about that?

Mr. Abbott: Surely that is a question for another day on another subject.

One driver might receive $2 an hour if he were paid the minimum wage. However, because the minimum wage in British Columbia is higher, in that province he probably would be paid $3 or $4 an hour. The question is: should the volunteer driver receive $150 an hour, or $2 an hour, or some other figure? If we say $150 an hour, then obviously the housewife receives a huge windfall, and if we say it should be $2 an hour obviously the doctor would not volunteer his services.

In addition there is the problem of determining what is the fair value of the service rendered. Revenue Canada can verify these contributions by going to the charitable organization and auditing its books with a cross-reference to the return of the taxpayer. However, this would require massive bookkeeping operations on the part of the charity in question in respect to the records of volunteers for the purposes of Revenue Canada.

● (1740)

I suggest that the hon. member for Burnaby-Richmond-Delta, while putting for the consideration of the House what appears to be a laudable measure, is in actual fact suggesting something that will create problems, confusion, inequities, and a whole host of other difficulties. In fact, it will have a negative effect even on the charities that might legitimately qualify. Almost certainly if a person's services, which previously could be rendered on a voluntary basis, could now be deductible from his income tax, the likelihood is that cash contributions would decrease to that charity while services, voluntary in the past, would be rendered in lieu of cash so that the charity would suffer.

I suggest also that all those who live in communities are more than aware that the whole foundation stone of charities that are truly meaningful is support by voluntary effort. I suggest that even the election of a member of parliament is a worthy project, and it is made more worthy by the fact that thousands and thousands of Canadians of all political stripes are ready to work voluntarily for this purpose without later trying to claim it as a tax deduction.

I suggest that so often these casually, ill conceived motions which seem to contain laudable and equitable purposes, when a stern and qualified eye is cast upon them, such as that of the hon. member for Scarborough West reveal their true colour, which is that they are inadequate, frequently inequitable and frequently hope-

less in their practical enactment. So, when the hon. member for Sault Ste. Marie (Mr. Symes) suggests that we are simply talking out this measure, I suggest to him that perhaps these measures are not passed due to the fact that there is determination on the other side to see that they do not get passed, and this has happened even in my limited experience. I also suggest that if a list were compiled of worthy measures that did not see the light of day as a result of being talked out, this measure would be very far down on the list of worthiness.

Mr. Symes: So you are the judge and jury.

Mr. Abbott: We will deal with this measure in a democratic fashion. I am simply putting forward my own humble view on this important matter. As I said, it is important because tonight we will hear from the Minister of Finance some real tax measures, some sensible reiterations of the measures that the minister attempted to introduce in the House last May. I am sure that all of us will be stirred positively by the message he will give us tonight, perhaps with the exception of one or two members on the other side. But even though they might be filled with grudging admiration for the minister, in their heart of hearts they will hope that all these measures will be rapidly passed and enacted into law.

Mr. Symes: You have 15 more minutes.

Mr. Abbott: I wish that the subject of the motion proposed by the hon. member had more merit; I wish it contained more meat and more thought so I could speak on it for 15 more minutes.

Mr. Knowles (Winnipeg North Centre): You are allowed a total of only 20 minutes.

Mr. Abbott: If the motion had more content I may have come to the point of exhausting my time, if not the patience of the members of the House. I want to say that while I know that the instincts of the hon. member are laudable, and that his purpose is not simply to provide a tax deduction for the person who drives his children to a hockey game—I know he has wider concerns for Canadians—I want to urge him and other members who propose tax measures to contain themselves, listen to what the Minister of Finance says tonight, and then frame motions which contain more substance and are of more benefit to the people of this country than the one proposed this evening.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, since it appears that this motion will be talked out I might as well take two or three minutes. I do not intend to get into the back and forth argument that has been taking place with regard to the workability of the proposal made by the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds), but I think he is to be commended for presenting the House with a motion that emphasizes the importance of the work done by volunteer groups. I should like to say to hon. members opposite that, instead of just turning down this proposal and finding all sorts of faults with it, they would render a service if they would urge their government to do something which they might regard as better.

Earlier today in the question period one of the hon. members to the left of us raised the question about there being additional money for LIP grants. I know that LIP and OFY grants have been the target of a fair amount of criticism and abuse, but I think that in the main these grants have found their way to groups and organizations that have done a great deal to help older people and others.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): They have seen to it that snow gets shovelled, they have helped people to clean up their homes, they have repaired their electrical appliances, they have provided day care, they have organized drama groups, and so on. I think that in the main the money that has been spent in these ways has been well spent, and I suggest to my friends opposite that, instead of just criticizing the suggestion that has come from the Tory benches today, they should go to the government and say that there is a need for more federal funding of volunteer groups that are trying to make life a little better for many of the people of this country.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Madam Speaker, frankly it was not my intention to participate in this debate. I had assumed that the mover of the motion would have more to say on the positive side rather than simply to indicate that anybody who speaks against it, or suggests that it might be lacking in some areas, is denigrating the work that might be done by volunteers.

As is known, parliamentary secretaries from time to time are called upon to speak on motions as they affect their particular departments, and the approach I have adopted is that rather than indicate to the people I ask to speak that they should simply fill up the time speaking against a particular motion, I have tried to adopt the approach of giving them the motion and asking them to do some research work on it, and to reach their own conclusions as to whether it has merit or not. If the hon. member will check he will see that members on this side did not speak the full 20 minutes allotted to them but spoke just long enough to put their particular positions forward.

I was very pleased with the research work that was obviously done by the two members on this side who preceded me. They could not find merit in moving the motion to a committee. It seems to me that the mover of the motion has the obligation of indicating the positive aspect, and of telling us why he feels that this motion should go to committee or why it should be studied and considered by the government.

● (1750)

I think the hon. member should be commended for focussing the spotlight of the House of Commons on the people who do volunteer work in this country. If members on this side had found merit in the motion I think it is something they could have talked about with the Minister of Finance (Mr. Turner), or the Secretary of State (Mr. Faulkner), as the hon. member has done. I think the hon. member, at least in part, was commending the minister for setting up a council which was giving recognition to volunteers. I was with him for a while, but then he lost me

when he said this commission was not worthwhile. I think it is worthwhile, Madam Speaker.

From the little research I have done on the hon. member's concept I find it interesting. I am sure there is hardly a member of parliament who has not done voluntary work for some church or organization, or even for some political party or government. It seems to me that if we feel this kind of voluntary effort should be recognized through a tax exemption, we are really taking away from the individual part of the contribution that has been made.

Long before the Province of Ontario moved to do anything for retarded children I worked with people in Sarnia who devoted thousands of hours trying to help return such children to the community, have them educated, given workshops and placed in homes. I believe I would have felt it wrong if I had been compensated for the time that I donated as a lawyer compared to the taxi driver who worked beside me. He was doing the same work, and probably doing it better. I would have felt somehow that a shadow had been cast on my efforts had I been able to claim a tax exemption. Rather than encouraging people to volunteer, just the opposite might result.

I think the hon. member for Sault Ste. Marie (Mr. Symes) and the hon. member for Winnipeg North Centre (Mr. Knowles) must both be aware of the administrative nightmare that could be created if this motion went into effect. I believe it is a good idea that the bills and motions proposed in private members' hour go to committees. One of my motions went to committee and I was pleased to have the opportunity of presenting it and hearing some excellent criticism of it. But surely, Madam Speaker, before we send a motion to a committee we should be certain that it warrants the time that would be spent on it.

There are other ways that volunteers might be given credit or assistance, Madam Speaker. I think we would be wasting the time of a committee to refer the subject matter of this motion to it when we do not feel it would be feasible to administer the funds from such a complicated source.

I heard some snickers from the other side when the hon. member for Scarborough West (Mr. Martin) was speaking of volunteers A and B working on the same job, one making a financial contribution, the other a contribution of his time. That illustrated just how extremely difficult this would be to administer.

We hear many complaints about the number of documents and forms that have to be filled out in order to help the government do its work, whether it be tax collecting or gathering information. Just to take churches as an example, a frightening amount of paperwork would be required from them for their voluntary workers. The lady who cooks for the potluck supper might sit down and eat when she is through. Would she then be considered a part time volunteer or a full time volunteer? Imagine the work entailed in preparing T-4 slips for volunteers within a church alone.

The same thing can be envisaged with respect to service clubs. There is the volunteer who spends 2½ hours a week to help run the bingo game. Is he contributing more than the individual who spends 2½ hours every Saturday coaching the hockey team? Who makes the decision? Obviously it has to go to the board of directors.

I think the time of the House and the committee can be better served by dealing with matters that have some merit and some possibility of being administered for the benefit of all Canadians. It is correct that there are inequities at the present time. The man who makes a lot of money and gives cash donations is allowed credit on his income tax and the individual who gives time and effort is not, but I do not think the inequity can be corrected this way.

The Acting Speaker (Mrs. Morin): Order, please. The hour appointed for the consideration of private members' business having expired, I do now leave the chair until eight p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. John N. Turner (Minister of Finance) moved:

That this House approves in general the budgetary policy of the government.

He said: Mr. Speaker, on May 6 of this year I introduced a budget. It was the first budget in our history to be defeated in this House of Commons. It was also the first budget to be reinstated by the Canadian people.

The essential purpose of the May budget was to maintain healthy economic growth and reinforce the attack against inflation. I proposed to do so by a series of measures aimed at increasing the supply of goods and services, moderating the prices of certain products of importance to Canadian family budgets, maintaining the real income of those Canadians least able to protect themselves against the rising cost of living, and aimed at helping to stem the erosion in the value of savings. These continue to be my objectives.

Two of the measures proposed in that budget have already been implemented. The average yield of outstanding Canada Savings Bonds has been increased and the sales tax on clothing and footwear has been removed. The government believes that all of the remaining proposals included in the last budget are required to deal with current economic conditions and it is my intention to reintroduce them, modified as necessary to meet the requirements of today.

These broad measures need, however, to be supplemented and extended because economic conditions and prospects have changed significantly both at home and abroad.

[*Translation*]

The widespread expectation six months ago that the tide of world inflation would begin to recede this year has been frustrated. Poor grain harvests in Canada, the United States and elsewhere foreshadow a resurgence of food price increases. The decline in prices of a number of industrial materials has been less than forecast. Wage and salary costs are accelerating sharply in Canada and other countries. Interest rates climbed from already high levels because of the continued surge of global inflation, the disturbance to international financial markets, and restrictive monetary policies in some key countries. The slowdown of economic growth in the major industrial nations has been more pronounced and persistent than predicted. Massive balance of payments deficits and surpluses resulting from the fourfold increase in world oil prices are imposing serious strains on the entire world system. For many developing countries the shortage and high cost of food and fertilizers and the drastically increased prices of energy have raised the spectre of disaster.

Canada has participated actively in efforts to strengthen international institutions and in the arrangements they are making to help deal with these problems. Since these issues have crucial implications for every country in the world, their ultimate solution depends heavily on international co-operation. I have had lengthy discussions on these developments during the past few months with my counterparts from every major industrial nation and from the Commonwealth.

But we have a duty as a nation to keep our own house in order. We must also try to offset the impact on our economy of adverse developments abroad to the extent that is possible without compounding the difficulties of others. Constructive discussions were held among First Ministers in Ottawa late last month and I was given an opportunity to brief them on international developments and the economic situation in Canada. Over the past several weeks, as members are aware, I have had extensive meetings and consultations with my provincial colleagues.

[*English*]

We in this country are confronted by two major economic challenges—dealing with persistent, deep-seated inflation and at the same time maintaining a good level of production and employment. This will require us to steer a narrow course if we are to avoid more inflation on the one hand and the risk of a recession on the other. And in doing so, we must also do everything we reasonably can to protect Canadians who are least able to protect themselves from the ravages of both. That is what this budget is all about.

International Developments

I should like to turn my attention first to developments on the international scene.

You will recall that strong inflationary forces had emerged even before the energy crisis of late 1973. An enormous build-up of international liquidity arising from U.S. balance of payments deficits and concurrent economic expansion among industrial countries had created demands that could not be physically satisfied. Crop failures added to the problem of inflation. Then, in December of last year, came the cutbacks in the supply of oil and the explosion in its price. The full consequences of the quadrupling of oil prices, coming on top of these underlying problems, cannot even yet be known with certainty. But it is clear that they have precipitated a combination of economic and financial difficulties without precedent. In these circumstances, it would be unwise for any of us to underestimate the threat to world economic and social stability.

● (2010)

Let me outline the nature and dimensions of this predicament. Consumer prices in the major industrial nations may average about 14 per cent higher in 1974 than in 1973, with Japan suffering a 24-per-cent increase. The view now is that in 1975 the average rate of inflation for these countries may not be much lower than 12 per cent.

At the same time, there has been a pervasive slowdown in economic activity. Last year member countries of the Organization for Economic Co-operation and Development achieved average real growth of 6.3 per cent. In 1974 they will show virtually no growth. Next year it is expected that expansion, if any, will be marginal.

Associated with these developments is the emergence of huge balance of payments deficits of oil-importing countries. OECD nations had a current account surplus of about $2 billion in 1973. In 1974 they will have a deficit of around $40 billion, and this may be repeated in 1975. When the deficits of other oil importers are taken into account, including developing countries, this figure will be upwards of $60 billion this year and could be of the same magnitude next year.

The speed with which these problems have emerged and spread to virtually all countries is a measure of their high degrees of economic and financial interdependence. It underlines the need for close and effective international consultation and joint international action. These problems demand continuing surveillance by world organizations that can take a comprehensive view and muster concerted action. Canada is playing a very active role in the development of international initiatives.

We assisted in the establishment of the new Interim Committee of the Board of Governors of the International Monetary Fund and the Development Committee of the Fund and World Bank. Canada sees these committees as important instruments for bringing the collective political will of the member countries to bear on solutions. I intend to give these efforts all the time I can.

When it next meets in January, the Interim Committee will address itself to the monumental problem of recycling oil money. This is urgent because not all countries in deficit will, on their own, be able to find the funds they need. There is real doubt that the private financial system will be able to transfer the huge surpluses of oil producers to oil importers without severe financial strains. We hope that the Interim Committee will be able to make positive recommendations so as to ensure that the recycling process goes forward without seriously disrupting international trade and payments.

[*Translation*]

But recycling will only tide us over the immediate problem. It will not provide a long-term solution. In time, many countries will have to reduce the rate at which they are accumulating debts. This means that they will have to bring their external payments into better balance. Many approaches will be needed—perhaps lower oil prices, conservation in the use of energy, increased exports and the sale of equities and real property to the oil producers, more aid from them to less-developed countries, and other measures. Our ability to co-operate internationally will be severely tested, but we see nothing to be gained from policies of confrontation.

There is the danger that balance of payments difficulties will lead countries to resort to restrictions on trade. Such measures cannot solve the world's difficulties. They can only make them worse. It is for this reason that the Canadian government has strongly supported international pledges against the use of trade restrictions to deal with payments problems.

I hope that we will soon be able to proceed to the active stage of the Multilateral Trade Negotiations initiated last year at the GATT Ministerial Meeting in Tokyo. We must carry forward the attack on unnecessary barriers to trade and contain the pressures of protectionism. We must also examine the international trading rules to ensure that they meet the needs of our times and that they assist the over-all process of adjustment in the world economy.

It is critically important that the United States administration get the legislative authority it needs to play its full part in these negotiations.

I am deeply troubled by the potential disaster facing many of the poor countries of the world. A number of them can no longer pay for food, fertilizer, fuel and many other essentials. All countries, including Canada, must review their foreign aid programs in the light of these tragic developments.

Canada must, at a minimum, help these countries meet the most urgent and basic need of their people—food. My colleague, the Secretary of State for External Affairs (Mr. MacEachen), announced at the World Food Conference in Rome that Canada would increase its contribution under the Food Aid Convention to provide three million tons of grain over the next three years. We intend to expand our contributions of other forms of food aid just as quickly as we can. We attach a particularly high priority to helping developing countries increase their own food production. These are moral commitments. We intend to fulfill them.

[*English*]

The Canadian Economy

I turn now to the economic picture in Canada and our own prospects for the future. I have already noted that world economic trends have shifted toward slower real growth, more protracted inflation and deeper payments imbalances. Consequently, the outlook for the Canadian economy is less bright than when I brought down my budget last May. Output, employment and income will all continue to grow in 1975, but at rates below potential. The disappointing harvests in North America and elsewhere, continuing high prices of some commodities, and cost escalation in Canada have all combined to postpone the expected relief from high rates of inflation.

The Canadian economy began 1974 with the momentum from last year which had carried it to peak of productive capacity. This momentum was maintained until the late spring. There were widespread scarcities of materials and many kinds of labour. Since early summer, however, signs of slowing down have appeared. One of the principal causes was the deteriorating economic performance of the countries to which we export. Another was the decline in new housing starts—especially in rental housing, where construction was curtailed by the increasing squeeze of costs against rental income. We also suffered from a very serious loss of production as a result of extensive work stoppages caused by industrial disputes.

Our economy, however, has firm underpinnings. The volume of consumer buying is keeping pace with the continued increase in real income of Canadians. Capital investment by business is growing strongly.

When the record is all in, the Canadian economy will probably show a real increase in Gross National Product this year of 4 to 4½ per cent.

In the May budget I forecast that employment would increase in 1974 by more than 300,000. In fact, it has increased in the last 12 months, by some 390,000 and over the last two years by some 870,000—a phenomenal achievement by any standard. The unemployment rate is now lower than it was a year ago.

● (2020)

During the strong economic expansion in Canada since 1970, unemployment did not dip below 5.2 per cent in any quarter. Yet there was evidence of widespread tightness of labour markets, particularly in late 1973 and early 1974. There was a sharp increase in job vacancies and help-wanted advertising. Frequent complaints of scarcities of labour, particularly of skilled workers, were heard in many parts of the country. Our economy now seems to reach a condition of widespread scarcity and strain in labour markets at somewhat higher unemployment levels than in earlier postwar cycles. The explanation would appear to lie in changes in composition of the labour force, together with changes in our social policies and improvements in family incomes which enable people to take more time to search for the jobs they want.

Canada, like other countries, has had a continuing upsurge of inflation. Some commodity prices have fallen in the last several months. As I noted before, there had been hope earlier that good harvests around the world would ease the rise in food prices. This hope has faded for the present. In addition, the response to earlier international price increases has provoked domestic forces of cost-push inflation in Canada. Profits have risen strongly this year. Wage-rate increases have accelerated.

[*Translation*]

Many private forecasts of Canada's economic prospects through 1975 have been made recently. In respect of real growth they range from 1 per cent to over 4 per cent. Their views on inflation range from a little more to a little less than we are experiencing this year. Their projections for unemployment are from 6 per cent to nearly 8 per cent.

Our own view of the prospects for real growth in production and employment next year—in the absence of any policy changes—was not nearly as pessimistic as the low forecasts, but less optimistic than the high ones. Here is how the situation looked to us as we started to plan the budget. The poorer outlook for the economies of the United States and other major industrial nations indicated that Canadian exports would not be a source of strength. The prospects for Canadian housing activity in 1975 looked to be substantially poorer than this year. We expected that the volume of goods and services bought by consumers would continue to increase because of the underlying strength and stability of the real income at their disposal. But we did not expect that consumer spending would lead economic growth, as it did earlier in the business upswing. We considered that the strongest element in the picture would continue to be private capital investment in new plant, machinery and equipment. For 1975, the latest readings on investment intentions, building permits, contracts awarded, new orders and work in the hands of architects and designers indicated continued strong real expansion in business investment. But the uncertainties of the situation, particularly with respect to costs, sales and financing still raised the possibility that some projects would be postponed or cancelled.

Given the weaker outlook for exports and continued strong imports because of relatively stronger growth in Canada than in other countries, we expected some increase in the deficit of the current account of our balance of payments.

We believed that the increase in prices could be more moderate in 1975, since the easing in world non-food commodity prices already underway would work through the Canadian price structure in the next few months. We expected that the easing of interest rates then beginning would also contribute to lower costs. Energy prices would certainly not be the engine of inflation that they were during the past year. Taken over-all, however, the prospects depended heavily on food prices. If grain harvests were good and the output of other farm products rose, there would be a slower increase in food costs. But we felt that a slowing of inflation in 1975 would also depend on moderation in the setting of prices and incomes in Canada.

[*English*]

THE THRUST OF POLICY

Mr. Speaker, I turn now to the thrust of policy that I believe to be appropriate in the light of this appraisal of the pre-budget prospects. We are confronted by the twin problems of inflation and slower growth. They are very closely related, since inflation—if allowed to get out of hand—threatens the continued growth of real income, production and employment. Inflation creates major uncertainty and undermines that intangible element of confidence that is so important to the maintenance of continued healthy growth. It erodes savings and distorts and disrupts financial markets so vital to the smooth functioning of our economy. Inflation can also jeopardize our international competitive position.

We must solve these twin problems together. We cannot choose to deal with one and neglect the other.

There are some who say: "Let us live with inflation; it's not too bad as long as we ensure full employment and protect the weak." There are others who say: "Inflation is so great a menace to our economic, social and political life that it must be rooted out, even at the risk of a serious recession and massive unemployment."

I reject both extremes. The first is unrealistic; the second is inhuman. The only objective which is acceptable to me, to this government and, I believe, to this House, is good economic performance in every respect.

What does this objective call for in terms of policy? No single approach can do the whole job. A combination of policies is needed. Let me outline my broad approach before describing specific measures.

The first essential is action to sustain demand. In the light of the present outlook for the next 12 to 18 months, this is imperative if we are to achieve a rate of growth of production and employment that more closely approaches our potential. This will be a major goal of our fiscal and monetary policies. It must be remembered that much of what we propose tonight will not bite in economic terms until well into next year. Politicians, journalists, even some economists, are often inclined to underestimate the time lags in the impact of economic policy.

Second, the fiscal stimulus should come primarily from a further cut in taxes, rather than an additional increase in expenditures. I believe that tax cuts can help to reduce prices and costs directly or indirectly and thus slow down the upward momentum of inflation. An indiscriminate or excessive increase in expenditures would exacerbate the pace of inflation.

Third, we must do all that we can in these circumstances to restrain the growth of governmental expenditures, particularly those that do not contribute directly to an increased supply of goods and services, that do not help those Canadians least able to protect themselves, or that do not directly moderate price increases. We have sought and shall continue to seek to cut out waste, to place limits on the growth of the public service and to approve only the most essential new programs. A tough line has been taken in the planning of expenditures for 1975-76. In present circumstances, we must do all we can to ensure that outlays grow no faster than the economy as a whole. For the year 1975-76, the rate of growth of our expenditures will be significantly lower than it has been in recent years.

Fourth, we should apply stimulus selectively where we can help to buttress weak points in the economy. Similarly, we should constrain governmental capital projects in those parts of the country where conditions continue to be tight. This selective approach as well as our regional development policies, is especially important when the economic situation is so mixed, with shortages continuing in many sectors and regions and surpluses developing in others.

Fifth, we must ensure that private capital investment remains strong. This is a key factor in terms of maintaining demand now, generating new productive capacity and employment, and moderating the rise of prices in the future. I have stressed consistently the importance of encouraging the growth of supply as an essential part of any effective anti-inflationary strategy. The outlook for capital investment remains good, but there are potential

difficulties arising from the slowdown in the demand for exports and the problems of financing. We want to make sure our efforts to modernize and expand our industry do not falter.

Sixth, continued attention must be given to mitigating the effects of inflation on the more vulnerable members of our society. I have said before that I do not intend to fight inflation on the backs of the poor, the weak, the unorganized or the unemployed.

● (2030)

The final element in our over-all approach is a comprehensive series of consultations with all sectors of the economy to seek to develop a co-operative national effort to slow down increases in costs and prices. This can make a key contribution to success in solving inflation and slow growth.

I have referred earlier in my remarks to the changing character of recent inflation. The difficulty now is to be found not in general excess demand, but in other factors. I have already spoken of the absolute and relative increases in prices of food and energy throughout the world. We must recognize that these increases reflect a fundamental change in the supply of cheap resources in the face of constantly increasing demands. Consumers cannot escape the impact of these structural price changes on their standard of living. Much higher prices for food and energy have made more difficult the task of reconciling the efforts of the various social and economic groups to maintain or increase their shares of the national income. Given the inflation which has occurred, no one group is willing to exercise restraint unless it knows that others will also exercise restraint. Rather each group feels compelled to seek protection against the highest rate of inflation which it thinks might occur.

The hard truth remains, however, that in this struggle the sum total of all the claims on the nation's resources—however justified they may seem to be—clearly exceeds what is in fact available to be shared. No group is likely to succeed is getting the full share of the real national pie to which it feels entitled. So long as each continues to attempt to enforce its claim by pushing up its price, its wage, its interest rate or tax rate, the outcome can only be further inflation. We have to find a better way of reconciling the competing interests of the various groups which make up our society. No group need lose in this search. Indeed, if we succeed, all can gain because the over-all performance of the economy will be enhanced by controlling inflation.

This is why we need a national consensus about what the various groups can safely take from the economy over the next few years. Co-operation must be the watchword. We will give leadership, but we will not try to impose solutions. The common objective must be to bring the rate of inflation down, year by year, to acceptable levels.

As a result of the extraordinary progress made over the last several decades in developing food and energy, we came to regard them as relatively cheap and abundant. That has all changed in the space of a few short years. We have become painfully aware that our capacity to produce both these essentials is not unlimited. The growing scarcity of these resources compels us to husband them wisely.

On a world scale, it is not just an economic problem. It is a moral issue, because for many people and for many countries it is survival which is at stake. Many countries haven't enough energy to meet the basic needs of their people. Millions of people haven't enough to eat. For Canadians this is not a question of economics; it is a matter of conscience.

Should we live as high as we do?

Should we waste as much as we do?

Do we not have a duty to conserve energy? Do we not have an even greater duty to conserve food in a starving world?

These are not properly matters for a budget. But I do believe they are matters for the conscience and private conduct of 23 million Canadians.

Governments can, of course give a lead. Canada has pledged more food aid. The more we save, the more we can pledge.

As far as energy is concerned, my colleague, the Minister of Energy, Mines and Resources, will shortly be bringing forward important conservation proposals.

BUDGET MEASURES

Resource Taxation

Mr. Speaker, before I turn to new budgetary measures I wish to address myself to the taxation of our natural resource industries.

When I introduced the federal government's new proposals for resource taxation last May, I said that in developing our policy we had the following objectives in mind:

> "First, it is essential that this sector bears a burden of tax on profits that is reasonable relative to the share borne by other sectors of the economy. Second, it is essential to ensure that all the people of Canada derive a fair share of the substantially increased revenues that flow from the higher value placed by the world on these resources. Third, the federal government should recognize the special position of the provinces with respect to the taxation and charges on resources within their boundaries. Fourth, the federal government must ensure that provincial royalties, provincial mining taxes and other arrangements having similar effects do not unreasonably erode the corporate income tax base. Finally, over-all Canadian tax policy must have regard for the position of these industries in terms of international competition and in terms of the financial resources they require to bring forward the supplies needed in the years ahead."

I stand behind these objectives. And, more than ever, I recognize and respect the aspiration of our Western provinces to use the proceeds of their resources to diversify their industries and to broaden the base of their economies. Western Canada wants, and is entitled to, its place in the sun.

The May proposals have been criticized principally from two sources, industry and provinces.

The petroleum and mining industries argue that they are being overtaxed. In some parts of this country, that

charge may well be true. But I believe that it is not the federal government which is overtaxing. Surely all Canadians would agree that the Canadian people as a whole are entitled to a reasonable share of the profits earned by these industries. In fact, many industry representatives to whom I have spoken agree that the federal share, as proposed in the May budget, is not excessive. Rather, they contend, it is the combined effect of federal and provincial levies that is excessive.

From my many conversations with industry representatives during the last six months, I have obtained a better understanding of their problems, and their investment needs. I think that those in industry have also obtained a good understanding of my position. Let me repeat my conviction that Canada must have strong private resource industries if we are to obtain the supplies needed in the years to come. They need a sufficient cash flow to undertake further exploration and expansion and provide a fair return to their shareholders.

Although the provinces are by no means unanimous, the core of their criticism is that the disallowance of provincial royalties, taxes and other similar payments is somehow an attack by the federal government on provincial ownership and jurisdiction over natural resources. I have talked with provincial ministers from all 10 provinces and I have tried to reassure them that this is not so. No one is questioning the provinces' ownership or jurisdiction. But it is abundantly clear that the British North America Act gives the federal Parliament the right to tax profits derived from these resources.

Obviously, only part of the solution lies within the federal domain. The other part is clearly a responsibility of the provinces. Each level of government is sovereign in its own sphere. Yet a knowledge and understanding of what the other level of government is doing and an effort to harmonize objectives should contribute to reasonable policies. I have reviewed the May 6 proposals and concluded, in a spirit of accommodation, that I should propose some changes which would be helpful to both industry and to the provinces.

Before discussing them, I would like to outline those proposals which I made last May that I believe should not be changed.

First, I proposed that the national rate of tax on resource production profits should be set at 50 per cent.

Second, I proposed that the special abatement of 15 points of federal Tax in respect of mining production profits, which had been scheduled to come into effect in 1977, be applied immediately. The result of this special abatement was to reduce the federal rate of tax on mineral production profits to 25 per cent.

Third, I proposed that automatic depletion be terminated immediately and be replaced by the new system whereby depletion had to be earned. Furthermore, I proposed that depletion be permitted only up to 25 per cent of production profits as a deduction from taxable income; the previous limit was 33⅓ per cent.

Fourth, I proposed that royalties, taxes and other like payments to governments should no longer be recognized as a deduction in computing income for tax purposes. My reasons for this action were described in the May 6 budget and I have elaborated upon them since. I am satisfied that this is a necessary step in order to avoid the erosion of the federal tax base.

I have considered carefully permitting deductibility of royalties and I have concluded that this approach does not offer a practical solution.

I acknowledge that royalties in respect of property rights have traditionally been deductible as a business expense. However, in tax reform, we began the process of disallowing certain income royalties in the mineral field and substituting federal tax abatements. Today, it is evident that a royalty is no longer a royalty in the traditional meaning of the word. There have emerged various provincial charges which are thinly disguised income taxes.

Today provincial charges take many forms. They are no longer limited to flat charges against a unit of production. Now there are provincial charges that are determined by price, profit and volume. In addition, there are provincial claims exercised through joint ventures and marketing boards. In fact, there are so many kinds of provincial charges and claims that it would be virtually impossible to draft workable legislation which could distinguish between bona fide royalties, traditionally deductible, and other taxes and charges.

● (2040)

That being so, we have chosen to disallow the deduction of all these levies and to make room for the provinces by giving additional tax abatement. In this way, the provincial taxes and charges and the federal taxes will each be discrete, and visible decisions, which each can take in the light of what they know the other is doing, giving full recognition to the needs of the industries.

Surely the goal is to find a compromise which gives reasonable results in financial terms to the provinces, to the industries and to the federal government. This is what my proposals aim to do.

I would like now to take up the May proposals in which I am making major changes.

First, in respect of oil and gas production profits, I proposed in May a new abatement of 10 points of federal tax, resulting in a federal rate of 30 per cent. I believe that a 30 per-cent rate of federal tax is reasonable for the year 1974, given the current strong profitability and the healthy cash flow of the petroleum industry.

I have tried, however, to look ahead and the picture is changing. Our demand for energy is rising and our known reserves are declining. New sources of supply, given their nature and location, will be expensive to find, develop and bring on stream. Our reading of the situation is that the industry's need for funds as they carry out this program will build up over the next two or three years. Clearly, if industry is to do the job that must be done, it will need adequate financial resources and a prospect of a reasonable return on its investment. For these compelling reasons, I propose that the federal rate of tax on petroleum production profits be reduced from 30 per cent in 1974 to 28 per cent in 1975 and to 25 per cent in 1976 and subsequent years. By 1976, the federal rate on oil and gas production profits will be 25 per cent, the same as on mineral production profits.

Second, Mr. Speaker, in the May 6 budget, I proposed that the rate of write-off for expenditures on exploration and development for both petroleum and minerals be reduced from 100 per cent to 30 per cent. At that time, I felt that such a lower rate was more appropriate in the light of the existing circumstances of the natural resource industries. However, I have been persuaded by the arguments presented to me over the past several months by both large and small companies that exploration in Canada is becoming ever more expensive and risky. It is difficult, particularly for smaller companies, to borrow exploration capital and, therefore, there is a heavy reliance on internally-generated funds. On the other hand, expenditures on development are more similar to the capital expenditures incurred by other industries. Hence, for both petroleum and minerals, I am proposing to restore the 100 per cent write-off for exploration expenditures, but to retain the proposed 30 per cent rate of write-off for development outlays.

For the year 1974, I estimate that the changes I am proposing tonight will improve the position of the oil and gas companies by about $100 million and of mining companies by about $15 million as compared with my May proposals. This saving for the resource companies affected is a full 25 per cent improvement over the May position. It is more difficult to estimate the value to the companies of the tax reductions I am proposing tonight for subsequent years because of the many uncertainties about price, volume and other factors. Nonetheless, I can say that the saving will be at least $185 million for these companies in 1975 on any reasonable assumptions as compared to the May proposals. For the petroleum companies, the benefit in 1976 will be even greater because of the further reduction in the federal tax rate.

Mr. Speaker, both for the current period and for the decade ahead, I believe that this modified series of measures represents fair and reasonable federal taxation of these natural resource industries. Moreover, the effect of the modifications to the original May proposals will be to improve significantly the financial position of these industries both in the short and long term.

We have pulled back from our original proposals. We want resource industries adequately taxed; but we want to see their financial position sufficiently strong to enable them to develop and to deliver the supplies needed in the years ahead. We have done our part. I now appeal to the provinces, which also have a responsibility to these industries and to the Canadian people, to do their part. I have no doubt that if the provinces respond to the needs of the industries and the nation as I have tonight, the problem for those industries will be resolved.

[*Translation*]

Equalization Payments

Closely related to taxation and other developments in oil and gas is the matter of federal equalization payments to the provinces. Hon. members know that the rapid escalation in oil and natural gas prices has caused the revenues of the oil and gas producing provinces to grow enormously. If all of the new revenues were to be equalized, the additional cost to the Canadian taxpayer within the next few years could approach $2 billion annually—and that is on top of current payments of about $1.7 billion. Under certain circumstances, even the province of Ontario could be receiving equalization. This would not make sense.

In the face of the extraordinary situation brought on by the world oil crisis, we have sought three things. First, to protect the basic equalization formula. Second, to ensure that total provincial revenues from this program continue to meet the needs of the provinces receiving equalization. Third, to ensure that the Canadian taxpayer is not heavily over-burdened. In short, I believe in the principle of equalization and I want to preserve the viability and credibility of that system.

When this problem emerged last winter, I expressed my great concern about the threat posed to the equalization program. During the First Ministers' meeting last January I said we would prefer to find some way to shield this program from the consequences of the oil crisis, without attempting a fundamental restructuring of the entire system.

When First Ministers met for a second time in March, a solution was sought under which producing provinces would set aside a portion of their increased revenues from oil for energy development rather than use these funds for general purpose spending. The revenues so set aside would not be equalized. The remaining oil revenues would be, however, adding at least $100 million to the equalization program on account of oil.

We have been making payments to the provinces on the basis of our understanding of the amounts that would be set aside by the producing provinces. As a result, payments are currently some $163 million higher than our original estimates for this year, of which oil royalties account for $126 million. The necessary legislative changes to give effect to this understanding have awaited the establishment of the capital funds by the provinces. All of these funds, however, have not yet been set up. Alberta is enjoying an increase in its revenues from oil and gas of a magnitude unprecedented for any government in Canada. It is not surprising that Alberta has experienced difficulty in deciding how its new revenues should be allocated. Nonetheless, in the absence of such a fund all Alberta oil and gas revenues would, technically, be subject to equalization. And the amount of equalization payments for which the federal government would be liable could be drastically affected, by the unilateral decision of one or two provinces. For all the reasons I have stated, we simply could not put this enormous additional burden on the Canadian taxpayer. Rather than restructure the entire equalization program now, I have chosen to protect the basic formula and give effect to the intent of the understanding reached last March in a simple way.

This new proposal will relate both to oil and natural gas revenues. When the international oil situation was discussed by First Ministers last March, the crisis had not yet reflected itself in significantly higher natural gas prices. Consequently, natural gas did not figure in the discussions at that time. We now know that natural gas prices are also rising sharply. It is possible that within the next few years increased provincial revenues from natural gas could add another $1 billion annually to the burden the Canadian taxpayer would have to bear if these revenues were to be equalized in full. We would then be faced with

a further threat to the viability of this program. The reasons for limiting the equalization of oil revenues are equally applicable to revenues from natural gas.

According to the understanding reached by First Ministers last March, the establishment of capital funds by producing provinces would have taken up in total about two-thirds of additional oil revenues, and left about one-third for general purposes. What I am proposing now is a change in the equalization formula which will have the effect of including all of the oil and gas revenues related to the pre-crisis situation, plus one-third of the additional oil and gas revenues related to the subsequent tax and price changes.

Before bringing this new formula into effect, I will consult the provinces at the next meeting of Ministers of Finance and Provincial Treasurers in a few weeks.

● (2050)

[*English*]

I come now to the specific new measures to give effect to the budgetary policy as I described it earlier.

I have already referred to the short-term prospects for construction of new housing. The projected weakness in this sector of our economy troubles me a good deal. It threatens to reduce employment, raise production costs and increase housing prices and rents. Even more important, a reduction in the supply of new housing could lead to a lower standard of accommodation than Canadians deserve.

The government is determined not to let housing construction drop to unduly low levels. Measures proposed in the May budget should make an effective contribution to this end, and will be reintroduced. Additional programs by the Central Mortgage and Housing Corporation have recently been announced. This budget contains further major new initiatives.

Before I turn to a discussion of new responses, let me recall to Members the measures announced last May. First, I proposed that the carrying costs on land awaiting development would not be chargeable against other income, but could be taken into account only when the land was sold. My colleague, the Minister of State for Urban Affairs, and I have both listened carefully to the debate on the merits of this proposal. We are both persuaded that this measure will indeed assist in bringing more land on to the market more quickly. Hence, I propose to reintroduce this measure as originally announced.

Second, in my last budget I proposed to eliminate the sales tax on construction equipment and on materials used in municipal water distribution systems. These sales tax reductions will become effective tonight.

Finally, in order to assist young people in accumulating the capital required for a down payment on a house, I announced last May, and I want to reaffirm tonight, the introduction of a new savings vehicle to be known as the Registered Home Ownership Savings Plan. I hope and expect that the bulk of the savings flowing into this plan will provide an important new source of mortgage funds to finance the construction of the new housing we require in this country.

I believe, Mr. Speaker, that the foregoing is of itself a formidable and effective range of programs, but I am not content to rest there. Still more thrust is needed.

The issue of the sales tax on building materials has long been the subject matter of debate in this House. Up to now I have resisted reduction of this tax for two principal reasons. First, it is a costly step and governments are always confronted with hard choices among competing priorities. Second, I was concerned that such a step would overstimulate an already strong demand. The housing picture, however, has altered significantly in the last few months. As a result of these changed prospects, I propose that, effective tonight, the rate of sales tax on building and construction materials be more than cut in half to 5 per cent. This measure will cost the federal government in a full year $450 million. I am confident that this measure will add stimulus to the industry and will, at the same time, contribute to a moderation of prices for housing.

For reasons already discussed, I am particularly anxious to provide a quick and strong incentive to the construction of new rental housing units. I therefore propose to relax for a period the rule whereby capital cost allowances on rental construction could not be charged against income from other sources.

Specifically, in respect of new, multiple-unit residential buildings for rent, started between tonight and December 31, 1975, the capital cost allowance rule will not apply. This means that an owner of an eligible rental unit will be permitted to deduct capital cost allowance against any source of income at any time. I am confident that this measure will attract a significant amount of private equity capital into the construction of new rental housing.

In my budget of last May, I proposed steps to assure the fullest possible allocation of mortgage funds to housing of more moderate cost. They included a request to the principal lenders to confine high-ratio loans to middle and lower-priced housing. When labour, materials and money were in short supply, it was desirable to direct them in this way in order to benefit the greatest number of people. But the situation has now changed to the point where all demands for new housing can be met. I am therefore withdrawing this request for the time being.

Hon. members will not need to be reminded of the $500 grants to be provided by CMHC for one year to those purchasing new, moderately-priced housing units for the first time. This time limit will increase its effectiveness as an immediate stimulus to housing construction.

Moreover, I am assured by the Secretary of State for Urban Affairs (Mr. Danson) that the policies of the Central Mortgage and Housing Corporation will be adapted to the changing needs of the economic situation. The Assisted Home Ownership scheme has proved its value and will be extended. Much greater emphasis will be placed on stimulating new construction of rental units for persons of moderate income. Moreover, these programs will be a very effective use of government funds because they will provide the incentive that will attract capital funds from the private mortgage market. Legislation to give effect to these new approaches will be introduced at an early date.

I am confident that the combination of measures which I have announced tonight and those originally proposed

last May will provide the impetus necessary to increase the housing stock in this country at a healthy pace and fulfill our commitment to place decent accommodation within the reach of every Canadian.

[*Translation*]

Measures to Sustain Capital Investment

Mr. Speaker, I have referred often tonight to the two main issues we must confront. First is the need to moderate price increases. Second is the necessity in the year ahead to ensure that our economy continues strong, and that our capacity to expand supply keeps growing. In addition to providing stimulus to demand and having a moderating effect on price in the housing sector, the reduction in the sales tax on building materials will help to sustain investment in non-residential structures and to exercise a similar moderating influence on prices in this sector. In a longer perspective, the economy should benefit from an enlarged industrial capacity and lower overhead costs.

The transportation industry is a vital part of the infrastructure with which our economy must operate. But it is being exposed to cost pressures which are both weakening its vitality and forcing it to translate these cost pressures into price increases. These increases in turn pyramid into cost increases throughout the economy. In an effort to bring some relief to this situation, I am proposing to eliminate the federal sales tax on transportation equipment effective tonight. The equipment covered by this reduction includes railway cars, large trucks and buses and commercial aircraft. It has an estimated annual market value of approximately $1 billion and the cost of the tax reduction to the federal government for a full year will be about $100 million.

Finally, in the area of business investment, I wish to announce the extension of a measure which has made a major contribution to the strong investment performance, which is improving our productivity, enhancing supply, creating new jobs and helping to sustain the Canadian economy at a time when the economies of many other nations are faltering. This measure is the two-year write-off of expenditures on new machinery and equipment for manufacturing and processing in Canada, which is scheduled to expire at the end of this year. I am now proposing that it be extended without a terminal date. This measure will reduce the federal tax liabilities of manufacturers and processors in 1975 by $150 million.

In addition, I wish to announce that I am renewing the fast write-off for pollution equipment, now scheduled to expire at the end of this year, for a further two years.

[*English*]

Personal Income Tax

Mr. Speaker, I now wish to discuss in detail major proposals affecting the personal income tax. I have in mind the need to sustain the growth of purchasing power over the period ahead. Just as important, I want to protect Canadians as much as possible from what is happening to their own family budgets because of inflation.

Under the existing law—as a result of my budget of February, 1973—taxpayers are entitled to reduce their federal tax liability by 5 per cent, subject to a minimum of $100 and a maximum of $500. Last May, I proposed that, commencing in 1974, the minimum cut would be increased from $100 to $150. This proposal, which is of most benefit to the lower income groups, will of course be reintroduced.

● (2100)

Let me now turn to 1975. First, members will recall that provision was made in tax reform for successive reductions in the rate for tax applicable to the first $500 of taxable income. For 1975, this will mean that the first bracket rate will be reduced from 12 per cent to 9 per cent. Second, indexing will bring about major tax reductions for all taxpayers. Just a few weeks ago, I informed the Canadian people about the tax decreases that will occur in 1975 as a result of the automatic indexing of the personal income tax system. Indexing will reduce the tax liability of Canadian taxpayers by $950 million in 1975.

Mr. Stanfield: That is not an honest statement.

Mr. Turner (Ottawa-Carleton): That is an honest statement. I now propose new personal tax measures for 1975. In view of the need to add some stimulus to the economy by reducing taxes, I propose to ask parliament to approve another major extension of the tax cut for 1975. Specifically, I propose:

First, that the basic reduction be increased from 5 per cent cent to 8 per cent of federal income tax otherwise payable,

Second, that the maximum be increased from $500 to $750,

Third, an most importantly, that the minimum reduction be increased to $200.

This measure assists every taxpayer in the country. But the foremost consideration is that the benefits are concentrated among the more moderate income groups. For 1975, this means a reduction in taxpayer liability to the federal government of $615 million and of this amount two-thirds or more will accrue to those earning less than $12,000.

It should be noted that a married wage-earner with two children under 16 would pay no federal tax in 1975 on income up to $5,871. This compared with $4,830 in 1974.

Tax deductions at source will be adjusted next January to give effect to this new measure. Taxpayers will thus start to enjoy early next year an increase in their take-home pay resulting from the combination of four factors: the reduction in the rate of tax on the first bracket of taxable income; indexing; the increase first announced in my May 6 budget speech in the minimum tax cut to $150; and this further increase in the tax cut which I have just announced. As a result of these reductions, the take-home pay of a married taxpayer with two dependent children will rise in 1975 by $214 if he is earning $6,000 per year. If he is earning $10,000 his take-home pay will rise by $250 in 1975.

This $250 is a large part of the increase in the cost of that family's food over the past 12 months. It is apparent, therefore, that these reductions will make a significant contribution to the support of people's real incomes this coming year. I would urge all Canadians to bear this fact in mind when making their demands through their union officers or to their employers concerning their wages. For the average worker this contribution through the tax

system is worth a good deal more than an increase of the same amount in wages, which would be taxable. This same message is relevant for Canadians who get their incomes in forms other than wages and salaries. And I ask them to take into account the benefit of these tax reductions to them when setting their fees, their prices, their rents or other charges.

[*Translation*]

The Protection of Savings

The House will recall that in my budget of last May, I proposed several measures to protect people's savings agains the eroding effects of inflation. One measure was the introduction of an exemption for the first $1,000 of interest income received by individuals. This amendment will be reintroduced for 1974. In addition, for 1975, I propose to expand the scope of this exception to include Canadian dividend income similar in character to the types of interest income which qualify for that exemption. This should encourage the purchase of Canadian stocks and thereby assist Canadian companies in financing their investment projects through the equity route. It should also provide some welcome support to the market.

I am also proposing to introduce an amendment to the Income Tax Act which will permit recipients of cash bonuses on Canada Savings Bonds to treat the cash bonuses as interest, thus qualifying for the exemption, or as capital gains.

The problem of protecting savings against the erosion of inflation is particularly acute for older people. Generally our senior citizens rely on pension incomes as their main source of support and, for many of them, the real value of those pensions has been shrinking. I have in mind, for example, a person who retired 5 to 10 years ago on a pension which, at that time, appeared to permit him or her to live in modest comfort. Simply stated, for many people the recent spate of inflation has turned the prospect of a secure retirement into a struggle to make ends meet.

The federal government has already taken certain steps to remedy this unsatisfactory condition. First, we have raised the special exemption for those 65 and over. Second, we raised Old Age Security payments and the Guaranteed Income Supplement and indexed them along with the Canada Pension Plan to offset increases in the cost of living.

Third, we have cut taxes within the past two years, and the further substantial tax cuts I have announced tonight will benefit the elderly along with other Canadians.

The $1,000 exemption for interest and dividends to which I have just made reference will also help those who have saved privately, but it still leaves unprotected the future of people who have saved through private pension plans. Therefore, I wish to propose a further measure which will be of direct assistance to people receiving private pensions, by which I mean pensions other than those provided universally through OAS and GIS, the Canada Pension Plan and its counterpart, the Quebec Pension Plan. I propose to exempt from tax the first $1,000 of pension income effective January 1, 1975. This new exemption will be available to anyone in receipt of a private pension and to people over the age of 65 in receipt of an annuity from a Registered Retirement Savings Plan or a payment from a Deferred Profit Sharing Plan.

There is another measure of direct assistance to older couples that I am also happy to announce. Under the present Income Tax Act, each person 65 years or older is entitled to a special exemption. As a result of indexing, this exemption will be $1,174 in 1975. Consider the case of an elderly couple. If each has sufficient income to be taxable, then each spouse can take advantage of the old age exemption. However, it is often the case that only one spouse is in receipt of income—for example, a pension. In this case, the old age exemption of the spouse without income is wasted. As another step to relieve the plight of many older couples, I am proposing that to the extent one spouse cannot take advantage of the special old age deduction, then the other spouse will be able to make use of it. This measure will be effective January 1, 1975.

The combined impact of these various measures will bring significant relief to older people. Take the example of a couple both over 65 and retired where one partner has some private savings and is collecting a private pension. Both are receiving Old Age Security pensions. As a combined result of their basic exemptions, the transferable old age exemptions, the interest and dividend deduction, the pension deduction, and the tax cut, the person in this example could receive up to $8,258 in income next year before becoming liable for federal tax.

Other Tax Measures of the May Budget

Mr. Speaker, as I mentioned briefly at the beginning of my remarks tonight, it is my intention to reintroduce the May 6 budget measures unchanged to the extend possible. I have already made reference tonight to a number of these measures, confirmed that they would be reintroduced for 1974, indicated where they would be modified, and described how they would be enriched and extended for 1975.

For clarity, let me state the situation with regard to those measures to which I have not yet made reference:

First, the 10-per-cent surtax on corporate profits earned from May 1, 1974, to April 30, 1975, will be reintroduced substantially as originally proposed.

However, corporations will not be required to adjust their monthly tax instalments to reflect this surtax, since almost seven months have now elapsed since the commencement date of this measure.

Second, the proposal to advance the timing of the final payment of a corporation's tax to the end of the second month, rather than the third month after the end of the corporation's fiscal period, will be reintroduced.

Third, the proposal to reduce the level of the tax-free reserves of large financial institutions from 1½ per cent to 1 per cent on eligible assets of over $2 billion will be reintroduced effective for 1974.

Fourth, the general increase in excise levies on spirits, wines and tobacco products proposed last May will be reintroduced effective tonight.

Fifth, the special excise taxes on high energy consuming vehicles are again being proposed in this budget, effective tonight, but subject to some important modifications. I have already spoken about the need to conserve energy.

Hence, I propose to reinforce these measures by increasing the applicable rate. For motor cars, the rate over a base weight will be $20 for the first 100 pounds, $25 on the next 100 pounds and $30 for each subsequent 100 pounds. For all but small motor-driven pleasure craft and for all privately-owned aircraft, the special rate will be 10 per cent. For heavy motorcycles, the rate will be 5 per cent.

● (2110)

[*English*]

I have now commented on the revenue-raising measures announced last May. I should also like to make reference to other tax cuts proposed in that budget which have not yet been discussed.

First, members will recall the proposal to eliminate the sales tax on clothing and footwear. In mid-July of this year, the government gave immediate effect to this sales tax reduction under the Financial Administration Act. I wish now to deal with this in a more formal manner by including it in the Ways and Means Motions to be tabled tonight.

Second, the other sales tax reductions announced last May will all be reintroduced effective tonight. In addition to those items already mentioned, such as construction equipment and municipal water distribution equipment, this measure includes the elimination of sales tax on bicycles and municipal transit systems, certain purchases by day-care centres and clinics, and certain aids for the handicapped.

Third, I want to reaffirm the proposal to increase the incentives available to incorporated small businesses. As previously announced, for 1974 and subsequent years the annual limit of $50,000 to which the lower rate of tax applied will be raised to $100,000 and the cumulative limit will be increased from $400,000 to $500,000. This provides up to $11,500 in additional cash flow to every eligible small businessman in the country. For example, he can use it to expand his business, finance inventory, meet his bank charges, or to build up his working capital. Under current circumstances, I have no doubt that he will be able to make good use of the money.

Fourth, in my budget of last May I announced an important change in the rules concerning registered retirement savings plans. The new proposal would permit a person to contribute not just to his or her own plan, but also to that of his or her spouse. In addition, I announced a number of changes relating to the treatment of medical expenses for tax purposes. All of these measures will be reintroduced effective 1974.

A large number of improvements of a technical nature were put forward in the ways and means motions of last May. Since then I have received representations and suggestions on not just the major policy proposals of the last budget, but also on many of the detailed measures. These have led to a large number of technical improvements and additions, details of which will be found in the ways and means motions. The remaining technical motions proposed last May are being reintroduced as originally announced.

[*Translation*]

Tariff Changes

There were two sets of tariff measures included in the May budget. The first would have continued from July 1 until December 31 of this year the temporary tariff reductions on a wide range of consumer goods in order to moderate the upward pressure on prices.

I am reintroducing these tariff reductions, but with some changes. I said last May that when they were reintroduced they would not be made retroactive. I have reviewed this group of tariff reductions with the object of proposing a significant group of tariff cuts that can be put in effect for a longer period than was proposed last May. I am proposing that these reductions, which become effective tonight, remain in force until June 30, 1976. Because of the longer period the items of this group will be in effect, because of the introduction on July 1 of the General Preferential Tariff for imports from developing countries, and because of changed price and supply circumstances about which I have received representations, I have made a number of exclusions from the May list of reductions. A reduction of the tariff on refined sugar, as recommended some time ago by the Tariff Board and recently by the Food Prices Review Board, has been added to the list of reductions.

The trade covered by those items on the revised list covered by tonight's proposal was valued at $1 billion in 1973.

Authority is again being sought to withdraw any tariff reduction by Order in Council if it results in adverse effects on employment and production in Canada.

It is my view that these tariff reductions as now proposed will not prejudice our negotiating position in the GATT negotiations.

The other tariff changes in the May budget included the important proposal to increase substantially the exemptions from duties and taxes on goods brought back by Canadian residents from trips abroad. Let me remind Members what the proposed changes were. The quarterly exemption available after an absence of 48 hours will be doubled to $50 from $25. The annual exemption, now available after an absence from Canada of 12 days or more, will be increased to $150 from $100. Moreover, the minimum period of absence required to qualify for the annual exemption will be reduced from 12 days to 7 days. These changes will be of considerable value to the vast number of Canadians who travel outside the country each year and will also be welcomed by our trading partners.

Provision is being made to permit the operation of duty and tax-free shops at border points, in addition to those that already operate at airports.

My May budget also proposed the extension of the duty-free entry for aircraft and aircraft engines of types or sizes not made in Canada, and a few other amendments. The only change I am proposing is that the free entry for aircraft and aircraft engines run to June 30, 1975, rather than June 30, 1976. Details of all these tariff changes, which come into effect tonight, will be found in the Ways and Means Motions.

[*English*]

The Economic Outlook and Fiscal Position

With the benefit of the measures I have announced tonight, I expect the economy to grow at a rate of about 4

per cent in 1975 and that about a quarter of a million new jobs will be created. These projections are based on the assumption, of course, that there will be no unforeseen deterioration in the international economic environment next year and that we experience no unforeseen shocks here at home. Such a rate of growth will be much stronger than that expected in most other countries. Given the weakness of foreign demand for our exports, it would be extremely difficult to achieve more. To attempt more would intensify the rate of inflation. To attempt less would increase unemployment.

The housing component of this outlook is of special interest to hon. members and to the country. It is my expectation that the combination of measures I have announced, together with some ease in interest rates and borrowing conditions, will lead to a recovery of housing starts from the most recent levels. For 1975, I hope it will be possible to achieve a level of 200,000 starts or better.

We cannot expect to eliminate inflation overnight. It will be a prolonged and tough fight. But we are striving to get the rate of inflation down below the two-digit level next year. It will take a determined effort on the part of all sectors of our society. Self-discipline and a good measure of political courage to get it down to 5 per cent over the next few years.

Mr. Speaker, may I now briefly sum up the fiscal position of the government, taking into account tonight's proposals. I estimate that total financial requirements excluding foreign exchange transactions will amount to $1 billion in the fiscal year 1974-75. This estimate represents a 50-per-cent reduction from the $2 billion that I forecast last May. This reduction reflects the effect that a higher-than-expected inflation rate has been having on our revenues. The inflation has also increased our expenditures, though in lesser degree. Our expenditures would have been higher but for the efforts of the government to restrain their growth.

● (2120)

The total financial requirements, excluding foreign exchange transactions, will build up steadily to reach a figure of $3 billion in fiscal year 1975-76. This does not reflect any relaxation of the government's policy of restraining spending. In fact, our outlays, that is to say budgetary expenditures, payments under OAS and GIS, and our loans, investments and advances, are expected to increase in 1975-76 by 15 per cent as compared with 25 per cent in 1974-75. This financial outcome is the result of the deliberate change in fiscal policy I am introducing in this budget for the express purpose of dealing with economic developments as we see them evolving over the next 12 to 18 months.

Current estimates imply a surplus on a National Accounts basis in 1974-75 of $250 million and a deficit in 1975-76 of $1.5 billion.

Relative to the size of the economy, the financial requirements of $3 billion expected for 1975-76 are no larger than they were in similar circumstances in the past. Our cash balances are high as a result of the buoyancy of revenues this fiscal year and the success of the Canada Savings Bond campaign. The expansion of the capital market—including the banking system—involved in the expected nominal growth of the economy will be adequate to finance these cash requirements without undue pressure on other borrowers or on interest rates.

[Mr. Turner (Ottawa-Carleton).]

I believe that the large cash requirement for the next fiscal year is appropriate to meet the risks of a weaker economy and an uncertain world. This posture is not a relaxation of spending discipline, as I said, but is dictated by my view of the proper response to the state of the economy over the next year or so.

I must remind hon. members that the figures I have presented tonight on the outcome of our accounts are estimates. The actual outcome will reflect the decisions of this House respecting legislation which is now before it or which will be placed before it during the course of this session. All estimates, Members will recognize, are subject to particular uncertainties in the circumstances of today.

With the permission of the House, I should like now to include in today's *Hansard* supplementary tables showing estimates of Government of Canada cash requirements, details of the budgetary revenues, federal government revenues and expenditures on a National Accounts basis and reconciliations of these figures with those compiled on a Public Accounts basis. The information in these tables applies to the fiscal years 1973-74, 1974-75 and 1975-76.

I should also like to table several notices of ways and means motions setting out the changes I have proposed tonight, and I would ask that they be appended to today's *Votes and Proceedings.*

Mr. Speaker: The minister seeks leave to table certain documents. Is it so agreed and ordered by the House?

Some hon. Members: Agreed.

[*Editor's Note: For notices of ways and means motions, see today's Votes and Proceedings.*]

[*The tables referred to above are as follows:*]

GOVERNMENT OF CANADA FINANCIAL REQUIREMENTS

	1973–74 Actual	1974–75 Forecast[1]	1975–76 Forecast[1]
	(Millions of Dollars)		
Budgetary Transactions			
Revenues	19,367	25,100	27,750
Expenditures	−20,040	−24,850	−28,750
Surplus (+) or Deficit (−)	− 673	250	− 1,000
Net Non-Budgetary Transactions Excluding Foreign Exchange Transactions			
Loans, Investments and Advances	−1,712	−2,350	−2,650
Other	695	1,100	650
Total	−1,017	−1,250	−2,000
Total Financial Requirements Excluding Foreign Exchange Transactions	−1,690	−1,000	−3,000
Foreign Exchange Transactions	296	450[2]	
Total Financial Requirements	−1,394	− 550	

[1]Numbers in these columns should be interpreted as mid-points of ranges of estimates.

[2]This amount reflects transactions to the end of October.

GOVERNMENT OF CANADA BUDGETARY REVENUES

	1973–74 Actual	1974–75 Forecast[1]	1975–76 Forecast[1]
	(Millions of Dollars)		
Personal Income Tax	7,926	10,100	11,350
Corporation Income Tax	3,411	4,850	5,600
Non-Resident Tax	324	350	375
Customs Duties	1,385	1,750	2,150
Sales Tax	2,693	2,750	2,850
Other Duties and Taxes	1,394	2,850	2,675
Total Tax Revenues	17,133	22,650	25,000
Non-Tax Revenues	2,234	2,450	2,750
Total Budgetary Revenues	19,367	25,100	27,750

[1]Numbers in this column should be interpreted as mid-points of ranges of estimates.

GOVERNMENT OF CANADA EXPENDITURES PUBLIC ACCOUNTS AND NATIONAL ACCOUNTS RECONCILIATION

	1973–74 Actual	1974–75 Forecast[1]	1975–76 Forecast[1]
	(Millions of Dollars)		
Budgetary Expenditures	20,040	24,850	28,750
Deduct			
Transfers to Funds and Agencies[2]	−1,825	−1,840	−1,920
Post Office Expenditures	−591	−690	−810
Deficit of Government Business Enterprises[3]	−125	−175	−140
Add			
Expenditures of Funds and Agencies[2]	931	1,145	1,170
Government Pension and Social Security Disbursements[4]	5,540	6,415	7,560
Capital Consumption Allowance	316	360	410
Miscellaneous Adjustments[5]	−560	110	−120
Total Expenditures, National Accounts Basis	23,726	30,175	34,900

[1]Numbers in these columns should be interpreted as mid-points of ranges of estimates.

[2]In the National Accounts, budgetary appropriations to various funds and agencies are replaced by the expenditure actually made by these funds and agencies.

[3]In the Public Accounts, deficits of government business enterprises are a charge to budgetary expenditures whereas in the National Accounts, these deficits are deducted from remitted profits of other government business enterprises.

[4]In the Public Accounts, the government pension and social security receipts and disbursements are treated as non-budgetary transactions whereas in the National Accounts, these transactions are reflected in the determination of government revenue and expenditure.

[5]As in the case of revenues, the miscellaneous adjustments arise as a result of conceptual differences between the two forms of presentation. These items represent, for example, reserves and write-offs; purchase of existing capital assets; budgetary revenue items offset against budgetary expenditure; expenditures of reserve accounts and revolving funds; imputed items; and, an adjustment for the treatment of expenditures in the supplementary period.

GOVERNMENT OF CANADA REVENUES AND EXPENDITURES ON A NATIONAL ACCOUNTS BASIS

	1973–74 Actual	1974–75 Forecast[1]	1975–76 Forecast[1]
	(Millions of Dollars)		
Revenues			
Direct Taxes, Persons	11,028	14,075	15,900
Direct Taxes, Corporations	3,627	5,175	5,600
Direct Taxes, Non-Residents	322	350	375
Indirect Taxes	6,485	8,325	8,600
Other Current Transfers from Persons	7	10	10
Investment Income	1,783	2,155	2,455
Capital Consumption Allowances	316	360	410
Total Revenues	23,568	30,450	33,350
Expenditures			
Current Goods and Services	6,318	7,350	8,650
Transfer Payments to Persons	7,467	9,300	10,925
Subsidies	1,005	2,600	2,625
Capital Assistance	178	225	350
Current Transfers to Non-Residents	336	400	475
Interest on the Public Debt	2,547	3,050	3,525
Transfers to Provinces	4,954	6,150	7,025
Transfers to Local Governments	123	150	175
Gross Capital Formation	798	950	1,150
Total Expenditures	23,726	30,175	34,900
Surplus (+) or Deficit (−)	−158	275	−1,550

[1]Numbers in these columns should be interpreted as mid-points of ranges of estimates.

GOVERNMENT OF CANADA REVENUES PUBLIC ACCOUNTS AND NATIONAL ACCOUNTS RECONCILIATION

	1973–74 Actual	1974–75 Forecast[1]	1975–76 Forecast[1]
	(Millions of Dollars)		
Budgetary Revenues	19,367	25,100	27,750
Deduct			
Post Office Revenues and Deficit	−591	−690	−810
Deficit of Government Business Enterprises[2]	−125	−175	−140
Excess of Accruals (+) over Collections (−)			
Corporate Income Tax	−11	−	−365
Oil Export Tax	224	−55	−25
Add			
Government Pension and Social Security Receipts[3]	4,888	5,940	6,670
Capital Consumption Allowance	316	360	410
Miscellaneous Adjustments[4]	−500	−30	−140
Total Revenues, National Account Basis	23,568	30,450	33,350

[1]Numbers in these columns should be interpreted as mid-points of ranges of estimates.

[2]In the Public Accounts, deficits of government business enterprises are a charge to budgetary expenditures whereas in the National Accounts, these deficits are deducted from remitted profits of other government business enterprises.

[3]In the Public Accounts, the government pension and social security receipts and disbursements are treated as non-budgetary transactions whereas in the National Accounts, these transactions are reflected in the determination of government revenue and expenditure.

[4]These miscellaneous adjustments arise as a result of conceptual differences between the two forms of presentation. These items represent, for example, the proceeds from the sales of existing capital assets; budgetary revenue items offset against budgetary expenditures; imputed items; and an adjustment for the treatment of revenue in the supplementary period.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, may I now sum up briefly what we see to be the problems ahead of us and how we intend to deal with them.

We believe that the principal threat to the growth of our production and employment comes to us from abroad. The world economy is in a fragile and precarious state, suffering from severe inflation and the gathering forces of recession. If the efforts to deal with the unprecedented balance of payments deficits on oil account are unsuccessful and some governments are unable to carry on with the policies required, the economic results for the world could in those circumstances be severe.

Canada in the past year or so has outperformed most of its trading partners, and the prospect is that with continued good fortune and sound economic management, it will continue to do so. But given our heavy dependence on trade, and our close financial and investment links with the rest of the world, we will not be able to escape unscathed should the international situation deteriorate even more. Therefore, Canada's first line of defence in economic affairs lies, as it has for years, in international co-operation.

It will take all the wisdom, courage and effort that human beings can muster to forge co-operative endeavours of an unprecedented nature, to put aside narrow national self-interest, and to respond generously to the needs of the weaker nations. But that is what is required if we are to come through the next few years whole. Let me assure you that by deeds, by good counsel, by leadership where such opportunities are given to us, and by generosity within our means, we will do what we can to help resolve the dangers which confront us.

Nor will we ignore the problems right here at home. Two-digit inflation, whatever its origin or nature, and regardless of however favourably our situation compares with others, is simply not acceptable to this government. Nor is growing slack in our industries and the threat of rising unemployment for our people. We shall not try to stem inflation by deliberately inducing slack in our economy. Nor will we give fresh impetus to the forces of inflation by driving the economy to excess. We shall need to steer a prudent course.

I have tried to set such a course in this budget.

In our present circumstances, we should moderate government expenditures so as not to add to the pressure on available resources. But while doing this, we must continue to look after the needs of our less fortunate citizens and to enhance the supply of essential goods and services which government is called upon to provide. Governmental expenditure during the year ahead is planned to grow at a considerably slower pace than during the past few years.

[Mr. Speaker.]

Through our taxation system, and in other ways, we are encouraging the private sector to maintain a healthy level of activity now and to build new capacity to increase the supply of goods and services for the future. I am more persuaded now than ever that this is a prerequisite for moderating prices in a lasting way. The taxation measures I have announced tonight in respect of housing and resources and for the processing and manufacturing industries, have been designed with this goal in mind.

We have acted directly on prices, reduced federal taxation on building materials and transportation equipment, and supplemented the measures proposed in my May budget to put downward pressure on the prices of goods that figure importantly in the cost of living or in the cost of putting essential capital stock in place.

Personal income taxes have been reduced further. Taken together with the measures of last May and the automatic reductions through indexation, these steps will boost the take-home pay of Canadians, help to maintain the level of production and, I trust, ease the pressures at the bargaining table.

The special measures to assist Canadians of modest means in receipt of investment and pension income are further steps in a policy I have been pursuing since I became Minister of Finance to protect those of our citizens hurt by inflation who are least able to protect themselves.

Our twin goals are to moderate inflation and to achieve sound growth of production and employment. These are goals which I believe every Canadian supports. But in today's circumstances, the achievement of one depends on the attainment of the other. Inflation is the enemy of sustained good economic performance. This is why we will pursue, with vigour and perseverance, efforts to achieve a national consensus—to proceed not by edict but by consultation—on ways to moderate the inflation. I know this will not be easy. But I have confidence in the Canadian people and in their sense of justice and fair play. I am convinced that if we can be shown that the other fellow is pulling his weight—and not getting away with anything at our expense—each of us will be willing to make a full contribution to the national effort.

I have always been frank with the Canadian people. I have not tried to understate the challenges which face us. I have not claimed that we can be sure of success, no matter what happens elsewhere. Nor have I pressed any panic buttons, because I am confident that, working together at home and abroad, we can overcome our difficulties.

The situation may change. If so, I will not hesitate to recommend a change in course. But this is how I see the issues today—and these are the policies I believe to be suitable today, the policies I recommend to this House.

Some hon. Members: Hear, hear!

● (2130)

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I dare say there are some who came to this House tonight expecting to witness the grand climax of the Prime Minister's (Mr. Trudeau's) wrestling of inflation to the ground. We have just listened to the Minister of Finance (Mr. Turner) for about an hour and a half in a

demonstration of verbal wrestling, and I got the feeling half way through, in fact before half way through, that he would have been very pleased indeed to settle for a draw. I just want to say to those who came here to see inflation wrestled to the ground that I am very pleased they did not have to pay to get in!

The Minister of Finance keeps telling us that he does not propose any cure-alls for inflation. Well, I agree with that. He does not propose any cures at all. He says he is not going to propose any cosmetic cures for inflation. I would agree with that too. Obviously his view is that a little dab will do, but that is not cosmetic. He says to us that the cure is not going to come quickly. Under this government and this minister you can sure bet on that.

Some hon. Members: Hear, hear!

Mr. Stanfield: An official from a European country recently visiting Canada asked me how we in this country managed to achieve an inflation rate of 11 per cent when we are self-sufficient in oil and petroleum and buy it at $6.50 a barrel. He expressed amazement. I asked him whether he had ever met our Minister of Finance, who certainly is an over-achiever when it comes to inflation.

[*Translation*]

I was hoping that in a general way the minister and this government would have changed some of their orientations from what they were evidenced in the budget introduced in this House last May. This was too much to expect. We have before us tonight a budget that still displays the same two flaws—antagonism and self-conceit.

[*English*]

As to the resources industry, sir, the minister has made significant changes in taxes as they directly affect the industry. He seems to have pretended, at least, to have backed off a bit with regard to the provinces, but the essence of his position is still one of confrontation. Having in May created the confusion that he created in the industry, leading to a very substantial reduction in exploration in this country, which was an act of madness by any standard, he confirmed his position here tonight in so far as he has made any changes. We will see what the effect of these proposals is on the provinces, but we have already seen the disastrous effects of the minister's policies which he presented in May.

While the government has been bloody minded with regard to resources, as far as inflation is concerned it is still a paper tiger. In his presentation tonight the minister goes a step beyond his past practice of making a virtue of necessity; he is now attempting to dignify gutlessness in the name of prudence. And he attempts to dignify it in a welter of words, which indicates to me that the government has given up trying to wrestle inflation and is taking the new approach of trying to tell the House the same old story long enough and often enough to bore it to death. He is even sending his ministers to sleep. I say that, sir, in the full recognition of my own sometimes accidental expertise in achieving such an objective.

[*Translation*]

This budget follows close on the heels of an election through which the Canadian people gave this government a clear mandate to govern this country. It does not now face a minority situation in this House.

An hon. Member: It is all in its interest.

Mr. Stanfield: Still, the Minister of Agriculture (Mr. Whelan) claims all the credit for it, saying that they could not win without his help. As much in its own interest as in that of the country, the government could not be in a better position to exercise strong leadership and undertake a large scale program to fight inflation.

[*English*]

The government has no fear of being defeated in this parliament. There is no need to gloss over things because an election might be imminent. There is not even a vestige of legitimacy left to any claim that things are not serious enough to call for strong measures. Things have long since been demonstrably serious; even the Speech from the Throne recognized that. The government is in a strong position from which to take significant action, and still it presents a totally inadequate, out of touch rerun of the May 8 budget, with variations on that theme.

This is the minister's fourth budget—I think I am right in that.

Mr. Turner (Ottawa-Carleton): You are right in that.

Mr. Stanfield: If he keeps on like this we will be able to recite 90 per cent of his fifth budget from memory. We will just have to remember to make a few minor changes to take care of inconsistency, and we will have to presume those important little inclusions to allow for the gutlessness and the intellectual dishonesty.

In that vein, Mr. Speaker, what could have been more dishonest than the minister's year and a half long sermonizing on supply? This was to be the key to bringing down prices—increase supply. This was the government's thrust. The minister wanted us to believe that he was the helpless victim of anchovies with bad compasses. And let us not forget the trouble the poor fellow had with the weather.

We warned, time and time again, that price increases caused by supply dislocations were becoming serious enough to trigger mounting inflationary expectations, and that these expectations must be dealt with firmly or cost-push inflation would sweep through our society like wildfire. Those words were pooh-poohed. It was just a temporary supply problem, according to the minister; evidently just another one of those very irritating aberrations which never ruffle the feathers of finance ministers, past or present, in this government.

● (2140)

Here we are now, Sir, just over six months since the last budget which was still promoting this single line of attack against inflation, and the minister's feathers seem to be in some disarry.

An hon. Member: Not as much as yours.

Some hon. Members: Hear, hear!

Mr. Stanfield: The feathers have been flying as the chickens have been coming home to roost, not to mention the eggs, Sir.

Some hon. Members: Hear, hear!

Mr. Stanfield: The minister was wrong to begin with, way back when he focussed solely on the supply aspect of the inflation problem. Then having focussed on it, to the exclusion of the terrible dangers of substantial cost-push inflation, and even having focussed on supply to this extent, the government made a horrible botch of things. Look at the livestock industry, the poultry industry, the fishing industry and the lumber industry. I wonder whether the minister is talking about the same country I know and visit.

Some hon. Members: Hear, hear!

Mr. Stanfield: Look at what the minister's inflation policies have done to the armed forces. The Minister of National Defence (Mr. Richardson) has not done that all by himself. Look at these dislocations today, and today's prices, and give the minister his score for performance in stabilizing and improving supply and prices. He deserves to be scored in more than one sense of that word.

Then, as it became clear that this sandcastle about inflation was disintegrating, the government developed a new cover up story which was presented in the Speech from the Throne. It was suddenly time to get out and talk to a lot of people about this terrible international problem of inflation. Some sloganeer in the bowels of some Liberal library dredged up a couple of phrases about "sharing the pie" and "achieving a consensus". Both these pursuits are quite legitimate when they are honestly dealt with, but the way the government is kicking them around these days provides another example of dishonesty, and there is no other word for it.

On November 7 my colleague, the hon. member for Hamilton West (Mr. Alexander), asked the Minister of Finance what progress had been made in his talks with principal groups in the country; talks which both the minister and the Prime Minister said were aimed at a co-operative effort to fight inflation and to seek a consensus on fairly sharing the national productivity pie among wages, prices and profits. The minister replied that talks were in progress and he said he hoped "to provide further clarification to the House on budget night". This was only one of a long list of undertakings the minister hoped, or wished, or promised to follow through on tonight. In his reply he went on to say: "As the program develops, it will be fully apparent to the House and to the people of this country". But I ask any fair minded member of this House—

An hon. Member: Don't look that way.

Some hon. Members: Oh, oh!

Mr. Stanfield: Is there anything at all in what the minister reported tonight on that program? Did he say anything here tonight at all except to make it very clear that, from the start, it was a complete hoax and a complete fraud on the part of the Prime Minister?

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, I think those fellows better relax because this is just a warmup tonight. The minister tried to create the impression tonight that he is imposing restraints on the share of the pie going into the federal treasury. There, too, he was far less than honest, and I accuse him of dishonesty.

Mr. Marchand (Langelier): That is not fair.

Mr. Stanfield: That is not fair? It is not only fair, I am going to document it, but not tonight because I have some mercy for those miserable sinners across the way.

The minister tried to create that impression, and tried to achieve an illusion by sleight of hand. He said expenditures had been trimmed, but expenditures reported now for the current fiscal year are some $450 million higher than even anticipated in May. That is real trimming. It is not the expenditures of this government that are getting trimmed, it is the people of this country.

Some hon. Members: Hear, hear!

Mr. Stanfield: The minister is able to show a balanced budget because he has, in fact, raised the real rate of taxation in this country this year, and not reduced it as he pretends.

The minister has not come clean with Canadians, and this government has not come clean. It is not offering leadership, and it is certainly not offering leadership by example.

Mr. Guay (St. Boniface): Would you run again, Bob?

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, I just want to say one thing to the hon. member for St. Boniface (Mr. Guay), and I want to say it in a way that is not rude. I wish he would just keep his mouth closed enough so that he would not blow my papers all around when I am trying to speak.

Some hon. Members: Hear, hear!

Mr. Stanfield: The Prime Minister and the Minister of Finance talked about a consensus, but that really smells of "con", and not consensus. It is all too apparent that any talk about sharing the pie really means sharing what is left after the federal government takes its share. If discussions go ahead on this basis we are doomed to failure, and properly so, and this minister, this government and this prime minister will be responsible for that failure.

On that positive note, Mr. Speaker, I move, seconded by the hon. member for Saint-Hyacinthe (Mr. Wagner), that the debate be now adjourned. I hope you will all be here on Wednesday to hear the remainder of my remarks.

Some hon. Members: Hear, hear!

Mr. Speaker: Before putting the motion to adjourn the debate I should bring to the attention of hon. members that the Minister of Finance (Mr. Turner) not only laid certain documents on the table but has requested that they be recorded in *Hansard* and *Votes and Proceedings*. I presume that the order that was made at that time would include that request as well. Is that agreed?

Some hon. Members: Agreed.

On motion of Mr. Stanfield the debate was adjourned.

[*Translation*]

Hon. Mitchell Sharp (President of the Privy Council), seconded by the Minister of State for Science and Technology and Minister of Public Works (Mr. Drury), moved:

That the House do now adjourn.

Motion agreed to.

Mr. Speaker: This House stands adjourned until two o'clock tomorrow pursuant to Standing Order.

On motion of Mr. Sharp the House adjourned at 9.52 p.m.

HOUSE OF COMMONS

Tuesday, November 19, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

VETERANS AFFAIRS

Fourth report of Standing Committee on Veterans Affairs, in both official languages—Mr. Boulanger.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

● (1410)

ORAL QUESTION PERIOD

[*English*]

PUBLISHING

"TIME" AND "READER'S DIGEST"—GOVERNMENT POSITION ON TAX STATUS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question or two to the Prime Minister relating to certain matters that were not clarified by the budget address last evening. The first relates to the tax status enjoyed by *Time* magazine and *Reader's Digest*. Is it the decision of the government to continue with the present status?

Right Hon. P. E. Trudeau (Prime Minister): Obviously if nothing was said in the budget, nothing is contemplated at this time. This does not preclude any further action.

Mr. Stanfield: Mr. Speaker, am I to understand what the Prime Minister is saying is that no decision has yet been taken. If that is the situation indicated by the Prime Minister, when may we expect a decision since the general impression has been created that perhaps the situation would have been covered in the course of the budget.

Mr. Trudeau: Mr. Speaker, we cannot be responsible for that general impression the Leader of the Opposition has gleaned from God knows where, but so far as the first part of the question is concerned, that is right; no decision has been taken and the matter is still before cabinet.

Mr. Speaker: The Leader of the Opposition on a final supplementary.

PUBLIC SERVICE

GOVERNMENT POLICY REGARDING LIMITATION OF SIZE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, there is another matter of some obscurity relating to the remarks made by the minister with regard to the size of the public service, the minister having said he would place limits on the growth of the public service. I should like to ask the Prime Minister precisely what that means. Does it mean there is to be a pause in the recruitment of the public service and that it will be held to its present size? Has any decision been taken of a precise nature or was this simply a generalization which the minister does not ordinarily use?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, so far as the statement is meant to have effect, I suppose it will be judged only by the effect it does have in due course. I can only emphasize that the minister's statement was a serious one and the opposition and the country will have to judge us on our ability to administer it.

* * *

INCOME TAX

MINIMUM SAVING FOR TAXPAYERS IN 1974 and 1975 AS A RESULT OF BUDGET CHANGES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. I wonder whether the minister would be good enough to clarify some confusion which exists in the minds of a number of people as a result of last night's budget, namely, that the minimum saving which will occur as a result of this budget for the 1974 taxation year for Canadians is in fact $50 and not as has been reported by a number of people $150?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, for 1974 it will be $150 and for 1975 it will be $200. Obviously, in terms of the deductibility tables this will not be implemented until the deductibility tables are changed early in January.

Mr. Broadbent: The minister has not clarified but rather has further confused the situation. Will he correct me if I am wrong that the $100 minimum deduction was passed in the 1973 budget and all that the minister is adding in the current budget is a $50 reduction for 1974?

Mr. Turner (Ottawa-Carleton): No, Mr. Speaker, the hon. gentleman is perfectly right with regard to the February, 1973 budget. There was a five per cent reduction, a minimum of $100 and a maximum of $500. In the May 6 budget, the minimum was proposed to be raised to $150 for 1974. That was implemented last night in the ways and

means motion. In addition, for 1975 the minimum will be raised to $200 and the maximum raised to $750.

Mr. Broadbent: The minister has acknowledged that there is only a $50 reduction in addition to what was proposed in the 1973 budget.

Some hon. Members: Oh, oh.

Mr. Broadbent: I would like him to clarify that for 1975, in contrast to what has been suggested by a number of people, the real minimal saving in terms of those who are paying taxes in 1975 is simply an additional $50 over what they will get in 1974. I would like to hear the minister's opinion on this also since he did not document what he expected in the form of inflation. Given the rate of inflation which will inevitably take place, that $50 inevitably will be eaten away by inflationary pressures. Is that the minister's opinion?

Mr. Turner (Ottawa-Carleton): The hon. gentleman is engaging in a little game of semantics here. Certainly, he will recognize that the May 6 budget was defeated largely as a result of the efforts of the hon. gentleman and his friends.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): When I entered the House last night, the minimum tax reduction, as the hon. gentleman states, was $100. I reinstated at one stroke the $50 which would have been implemented had the hon. gentleman passed the May 6 budget, plus another $50, for a minimum of $200. Two thirds of that tax reduction will apply to taxpayers at $12,000 or less.

* * *

[Translation]

FINANCE

POSSIBLE REDUCTION OF INTEREST RATES BY CHARTERED BANKS

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the Minister of Finance.

Can he say if the chartered banks will soon reduce their prime rate now that the Bank of Canada has decreed the ½ per cent reduction last week?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, it behooves the chartered banks to react as they want about the rate reduction prescribed by the Bank of Canada and so we have to wait.

Mr. Rondeau: Mr. Speaker, I have a supplementary.

Has the minister met the Canadian Bankers Association to ask them to do their share by lowering the prime rate with a view to stimulating the Canadian economy which is something the minister seems to hope?

Mr. Turner (Ottawa-Carleton): I imagine the banks will follow the market, Mr. Speaker. I have always told the chairmen of the nine or ten Canadian chartered banks that priority must be given first of all to the economically weak regions, as well as to the small contractors, farmers, fishermen and independent businessmen in Canada.

Mr. Rondeau: Mr. Speaker, I have another supplementary.

The minister still has not told us whether the Canadian Bankers Association agrees with stimulating the Canadian economy through lower interest rates?

* * *

[English]

AGRICULTURE

BEEF—REQUEST FOR STATEMENT ON GOVERNMENT POLICY WITH REGARD TO PRODUCTION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Prime Minister. I should like to have a clarification of the policy with regard to beef. On many occasions in the past the Minister of Finance has indicated that the way to beat inflation is to stimulate and increase production in various phases of the Canadian economy. In view of the events announced in the United States a couple of days ago with regard to beef and in view of the fact that it appears now that beef production is being reduced by the producers, could the Prime Minister inform the House what the government policy is in fact with regard to beef production specifically? Is it to stimulate greater production of beef or to ask farmers to cut back production of beef?

● (1420)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, over the long haul we do want to increase supply but as the hon. member realizes there are specific points in time over this long haul where the supply cannot be disposed of, such as the examples we saw earlier this winter. As far as the question of the United States action is concerned, the government decided to send a note to the United States which has been sent to them this morning.

Mr. Stanfield: Not by mail, I hope.

Mr. Trudeau: No, Mr. Speaker, it is being presented to them in the usual manner.

* * *

TRADE

ALLEGATION CANADIAN DELEGATION WRECKED SUGAR AGREEMENT—REASON FOR PRICE INCREASE

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct my question to the Minister of Industry, Trade and Commerce. In light of allegations that the Canadian delegation played a leading part in wrecking a sugar agreement which would have provided sugar at 11 cents per pound, can the minister explain why sugar is now selling in Ottawa at about 70 cents a pound and is likely to go to more than a dollar per pound by next spring?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, there is absolutely no sub-

stance whatsoever to that allegation. The reason that it has not been possible to negotiate a new international sugar agreement is that the producing countries do not at the moment consider it in their interests to come to the negotiating table.

SUGAR—GOVERNMENT POLICY ON ENSURING TWENTY-FIVE PER CENT OF DOMESTIC MARKET FILLED BY CANADIAN SUGAR BEET PRODUCERS

Mr. Jack Murta (Lisgar): Mr. Speaker, the minister's counter charge could lead to debate as I certainly believe the facts to be different. I should like to direct a supplementary question to the Prime Minister, Mr. Speaker. Since Canada and Japan are the largest importers of free market sugar in the world, is the government at this time contemplating the formulation of a national sugar policy which would ensure that at least 25 per cent of the Canadian market would be filled by Canadian sugar beet producers?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take the question in the form of a representation by the hon. member and will consider it.

* * *

CONSUMER AFFAIRS

SUGAR—STOCKS ON HAND AT REFINERIES ON JANUARY 1, AND JULY 1, 1974

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs and concerns the price of sugar which is being outrageously advanced without regard to anything except the profits of the refining organizations and the sugar corporations. May I ask whether the minister is able to inform the House how much sugar was on hand as of January 1 this year among these various refiners and how much of that sugar was still on hand on July 1? Does the minister have that information? If he has, I think it would indicate that what is happening is that the sugar companies are simply, with stock on hand, piling up additional costs to the Canadian taxpayers who are perfectly defenceless because of the fact that the Combines Investigation Act has never been used.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): As a result of the question put by the right hon. member for Prince Albert (Mr. Diefenbaker), I got in touch with the refineries requesting information. I have received part of that information. I expect the second part of those details within the next few days. I shall be pleased to communicate them to the House as soon as I have received all pertinent information.

[*English*]

Mr. Diefenbaker: Mr. Speaker, a supplementary question and I thank the minister for his courtesy in advising the House that he has at least communicated with these people. When he receives a communication from them I hope he will investigate to see if it is as far removed from the truth as some of the defences the sugar companies have recently revealed in connection with prosecutions.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I would like to remind the hon. member and all his colleagues that, each month, Statistics Canada makes public some information on the volume of sugar we have in reserve in Canada. He can therefore by himself and on his own initiative check the amounts, which are general and do not apply to specific refineries. I could have given him that information, but since the question is more precise and refers to the amounts of sugar of each refinery, a detail that is not made public by Statistics Canada, I have been forced to ask the refineries themselves. If they agree to give the information, I will be pleased to disclose it in the House.

* * *

[*English*]

STATISTICS CANADA

REPORT ON FOOD PRICES IN ST. JOHN'S—POSSIBLE IMPLEMENTATION OF RECOMMENDATIONS OF FOOD PRICES REVIEW BOARD IN VIEW OF DISPROPORTIONATE INCREASE

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a supplementary question to the Minister of Regional Expansion. As the regional cities price index released by Statistics Canada at one o'clock today, showed a dramatic increase in food prices at St. John's, Newfoundland, which are largely influenced by the increase in the price of sugar and other items, and as the 3.8 per cent increase in food prices in one month represents an annual increase of 20.8 per cent in food prices for St. John's, Newfoundland, may I ask the minister what steps he is taking to implement the recommendations of the Food Prices Review Board, bearing in mind especially that most food consumed in Newfoundland must be imported from the mainland.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, to the extent that this report comes under my responsibilities, I am of course as concerned as the hon. member, and I think this deserves further investigation and action. On the matter of transportation, which is one of the factors involved, I propose to consult with my colleagues, the Minister of Transport and the Minister of Consumer and Corporate Affairs. There are some studies under way already, and have been for some time, on the improvement of service. I point out that, at the moment, subsidies in excess of $50 million are paid on the gulf service alone. As to the more substantive part of the report, which I hope the provincial government has taken into account, the Food Prices Review Board has of course made strong comments about the distribution system on the island. I will be glad to talk to them about it and see if we can find some cooperative arrangement to improve it.

Oral Questions

CONSUMER AFFAIRS

FOOD PRICES IN NEWFOUNDLAND—GOVERNMENT ACTION TO ELIMINATE DISPARITY BETWEEN NEWFOUNDLAND AND OTHER AREAS

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a supplementary question to the Minister of Consumer and Corporate Affairs who answers in this House for the Food Prices Review Board. Has he examined the recommendations of the board on food prices in Newfoundland. Also, on the basis of his examination, is he now prepared to recommend to his cabinet colleagues measures for closing the disparity between prices for food charged in Newfoundland and in the rest of the country?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker.

* * *

NATURAL RESOURCES

REASON FOR GOVERNMENT POLICY ON RESOURCES

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Prime Minister. In view of the manner in which the Minister of Finance dealt with natural resources last night, and bearing in mind the way his colleague has also dealt with the question of natural resources, will the Prime Minister take part in the important budget debate and explain in clear terms to the House and to the country why the government has decided to act as the architect of disunity in Canada.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if it appears after that debate has begun and proceeded that some members like the hon. member still do not understand, not because of prejudice but because of inability, I might even invite the hon. member to lunch, and explain this to him.

Mr. Baldwin: But I understand very well.

Mr. Lambert (Edmonton West): We understand only too well. That's the trouble.

* * *

FINANCE

EFFECT OF BUDGET PROPOSALS ON SIZE OF PUBLIC SERVICE—CONSULTATION WITH STAFF ASSOCIATIONS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, may I address my question to the Minister of Finance in his capacity as minister and also in his capacity as the hon. member for Ottawa-Carleton. My question relates to a statement made in the budget speech to the effect that fiscal stimulus will come from something other than an increase in expenditures. May I relate that comment to the Public Service of Canada and ask the minister, both in his capacity as minister and as the member for Ottawa-Carleton, what are his plans for reducing the numbers serving in the Public Service of Canada. How big a reduction does he have in mind, as a member of parliament and as a minister, in the size of the Public Service of Canada—because if the budget means anything, it suggests such reduction—and what methods does he intend to use to achieve the aims of the budget. Can he answer this question?

[Mr. Jamieson.]

Mr. Speaker: Order, please. Despite the importance of the question, I have some reservation about the hon. member's ability to pose a question to the minister in his capacity as the member for Ottawa-Carleton. The fact is that questions can only be addressed to the minister, and therefore only to the minister in his capacity as Minister of Finance and not in his capacity as the member of parliament representing his important constituency or any other. In addition, it appears to me, unless the minister wishes to answer the question at this time, that the question is of a kind which ought to be put on the order paper. However, if the minister wishes to answer, he may.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, since the hon. member would probably rather have an answer to his question, I prefer to answer at this time. I suggest that he has misread the budget speech. We were not talking about reductions in the Public Service. We were talking about restraints in the increase of expenditures.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): And, restraints in the increase of expenditure will obviously involve some restraints on the increase or growth of the Public Service. The Prime Minister has indicated that will be determined as the government reconciles its priorities in its various government programs.

● (1430)

Mr. Baker (Grenville-Carleton): Mr. Speaker, I have a supplementary question for the Minister of Finance. Has there been consultation and agreement with the Public Staff Association through the National Joint Council with the government with regard to the position the minister now indicates is the position of his government?

Mr. Turner (Ottawa-Carleton): To begin with, Mr. Speaker, there was no need to negotiate something that was not in the mind of the government. We are not talking about reduction. The hon. member really would not expect me to negotiate that aspect of the budget.

Some hon. Members: Hear, hear!

* * *

CANADIAN BROADCASTING CORPORATION

FAILURE TO TELEVISE FINAL INTERCOLLEGIATE FOOTBALL GAME

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, in the absence of the Secretary of State, I will direct my question to his parliamentary secretary. Is the government aware that the CBC does not plan to televise the final game in the Canadian Intercollegiate Athletic Union schedule between the University of Western Ontario and the Univer-

sity of Toronto this Friday evening, in spite of the fact that these finals have been televised for many years, and the CBC has exclusive telecasting rights which prevents any alternative arrangements?

[*Translation*]

Mr. Gustave Blouin (Parliamentary Secretary to Secretary of State): Mr. Speaker, I am pleased to make note of the question. I will refer it to the minister.

* * *

[*English*]

INDUSTRY

LUMBER—REQUEST FOR STATEMENT ON GOVERNMENT ACTION TO AID INDUSTRY

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. It relates to the study he is making into possible assistance the federal government can give to the lumber industry. My question is twofold. When can we expect a statement in the House as to what the federal involvement will be? Has the minister discussed with his colleagues the possibility of making changes to the Bank Act to allow for government guarantees of loans made under Section 88? This would certainly be of immense help.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I expect to be discussing a number of these questions with my colleagues this afternoon. As to when I might make a statement in the House, I can only estimate that it might be sometime next week.

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POST OFFICE

REASON FOR VARIATION BETWEEN PROVINCES IN LOSSES UNDER GUARANTY FUND

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Postmaster General of which I have already given him notice. It relates to payouts from the post office guaranty fund during the last fiscal year based on figures supplied to me by the department. A province by province breakdown of the losses caused by the most part because of conversion and postal employees indicates very wide variation and I want to ask the minister why, for example, losses in Newfoundland appear to be $25,000 while there are no losses indicated at all for PEI, Nova Scotia or New Brunswick. Also, why in the province of Quebec were there losses of nearly $70,000 while in the neighbouring province of Ontario, having an approximate comparable population and number of employees, there was a loss of only $6,000? Can the minister indicate why these conditions and inconsistencies exist and what he proposes to do?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, the hon. member with his usual courtesy informed me several days ago that he intended to ask this question. I wish to answer it in two stages; one, orally and, two, with a written answer.

Mr. Speaker: Order, please. I have reservations about the extent of the question posed by the hon. member as to whether it is a proper question for the oral question period as opposed to the order paper. It seeks detailed information about comparative losses on operations in different provinces. It seems to be a proper question for the order paper. However, if the minister can answer in a brief preliminary way, he will be permitted to do so.

Mr. Mackasey: Mr. Speaker, there exists a guaranty fund that began in 1890 and ended in 1920. It was collected from postmasters in order to financially compensate for inefficiency or criminal action. This fund is still in existence. Last year there was a considerable loss in the province of Quebec. It was related to three specific instances, one a criminal action and the other two negligence or lack of collecting COD charges. I will follow with more specific written information.

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[*Translation*]

INDUSTRY

TEXTILE—POLICY ON IMPORT QUOTAS—GOVERNMENT POSITION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I should like to put a question to the Minister of Industry, Trade and Commerce.

Considering the uncertainty and insecurity that prevail in the textile industry, particularly in Quebec, of which both the minister and the Prime Minister are well aware, does the minister intend to do something about the import quota policy, an area where his department has been slackening for some eight months, so that the quota of our industry, that increased from 35 to 50 per cent, be raised to 65 per cent and, finally, about at least the protective measures his predecessor brought forward in 1971 so that they be revewed for three more years?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, in answer to a question from an hon. member yesterday, I mentioned that I had referred eight or nine particular textile product groups to the Clothing and Textile Board for urgent examination in terms of the situation. I expect to receive their report in the near future at which time we will consider what quotas or other actions we should take.

[*Translation*]

Mr. Wagner: Mr. Speaker, I have a supplementary question.

Does the minister intend to take steps, either alone or in co-operation with his colleague responsible for regional economic expansion, to help the textile industries which must recycle or transform their production and if so, could he tell the House where in the throne speech was there reference to that assistance to the textile industry, particularly in Quebec?

[*English*]

Mr. Gillespie: Mr. Speaker, I think the problems now affecting the textile industry are caused by a world situa-

tion of over-supply, distress selling and a turn-down in the major markets for the producers of these products. This is the situation which has created difficulties for the Canadian textile industry. The Clothing and Textile Board will be examining this on an urgent basis.

* * *

SOCIAL SECURITY

GOVERNMENT INTENTION WITH REGARD TO ECONOMIC POSITION OF THOSE OVER SIXTY-FIVE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the absence of the Minister of National Health and Welfare, may I direct my question to the Prime Minister. Now that the Minister of Finance has taken steps to improve the position of the 40 per cent of Canadians 65 years of age and over who have other income, what steps does the government propose to take to provide a meaningful improvement in the economic position of the 50 to 60 per cent of Canadians over 65 who rely exclusively on old age security and the guaranteed income supplement and who already pay no income tax?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member probably knows that the Minister of National Health and Welfare—

Mr. Hees: —is travelling again.

Mr. Trudeau: That shows how badly informed the opposition is. The minister is meeting with the provincial welfare ministers today to discuss the whole problem of a policy paper published a year and a half ago, I believe, on welfare in Canada.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in view of the fact that on more than one occasion the Minister of National Health and Welfare has said that from time to time there have to be adjustments in the basic rate of old age security, may I ask whether consideration is being given to increasing that basic rate during this session?

Mr. Trudeau: No, Mr. Speaker.

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[*Translation*]

AGRICULTURE

GOVERNMENT ACTION TO MAKE PRODUCTION OF FOOD MORE PROFITABLE

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to direct a question to the Minister of Agriculture.

Can the minister tell the House if, in accordance with the statements made lately by the representative of the Canadian government in Rome, his department will take steps to increase the efficiency of the Canadian agriculture in order to encourage the production of food and thus fight more effectively the problem of hunger in the world? Following those statements, when will the minister announce these new long term measures and make the agriculture industry really efficient?

• (1440)

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the hon. gentleman knows that most agriculture in Canada is profitable today, certainly more profitable than it has been for many years.

An hon. Member: What about the beef producers?

Mr. Whelan: There are some sectors of agriculture that may be suffering from a short term problem at the present time, but the intention of the government is to provide stabilization to agriculture. We said we would and we will.

* * *

THE CANADIAN ECONOMY

APPROPRIATE PERCENTAGE OF INCREASE IN WAGE RATES TO FIGHT INFLATION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is to the Minister of Finance. Inasmuch as in the budget speech last night the minister made a good deal of the need for restraint in fighting inflation, is not the minister's position that the various segments of the Canadian economy should take the 15.6 per cent increase into their calculations in dealing with their negotiations and things of that sort?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, every sector will have to look at its own position. The message of the budget was that, all taken together, there are only limited resources in the economy, and that the consensus that we have built up should keep that in mind. The hon. gentleman will recognize that on the basis of the increased expenditures contemplated for the next fiscal year it is just slightly above the rise in the gross national product in normal terms.

Mr. Gillies: Mr. Speaker, may I ask the Minister of Finance a supplementary question. The minister talks of a consensus among segments of the economy as to how to deal with the problem, but inasmuch as there is an enormous number of labour settlements coming up, I take it that the position of the government is that the 15.6 per cent increase in wage rates in these labour negotiations will be appropriate in terms of fighting the inflation battle?

Mr. Turner (Ottawa-Carleton): Not at all, Mr. Speaker. I would hope that just as business should take into consideration in setting prices the additional cash flow given them by the budget last night, so working men and women will also take into account the additional money returned to them in terms of disposable income in the next fiscal year. If this is done, increases need not be anywhere near the range the hon. member suggests.

ENVIRONMENTAL AFFAIRS

GOVERNMENT POSITION ON EXPORT OF WATER

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is for the Prime Minister. In view of the fact that United Nations figures released at the world food conference in Rome indicate that the global demand for fresh water will increase by 240 per cent during the next five years, and in view of the fact that the government has no policy regarding the export of Canadian water, does the Prime Minister still hold to the view that: "I don't want to be a dog in the manger about this, but if people are not going to use it, can't we sell it for hard cash?"

Mr. Speaker: Order, please.

* * *

CONFLICT OF INTEREST

ALLEGED DISSATISFACTION WITH GUIDE LINES—REQUEST FOR OPEN DECLARATION OF INTERESTS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, last week there was made public the permutations and combinations of declarations of interest of ministers of the Crown vis-à-vis conflict of interest—frozen trusts, blind trusts, over declarations, everything, Mr. Speaker. In view of the reaction that the Prime Minister has obviously had to this confusing situation, will he, including himself and the rest of his ministers, not insist that an open declaration of their affairs, including assets and liabilities, be made and given to the Clerk of this House, thus levelling with the Canadian people?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member seems to be promoting his own brand of openness. The principles which guide the cabinet were set before the House. We would welcome discussion on them if the House wants so to discuss them, but they are the principles that the cabinet is following.

Mr. Grafftey: A supplementary question, Mr. Speaker. Since traditionally this has not been a question for House discussion but a question of the leadership of the Prime Minister, will the Prime Minister resolve the matter in that way? What I do as a private member of parliament is different from what the Prime Minister decides for himself and his cabinet. Would the Prime Minister insist on this kind of procedure that I suggest?

Mr. Trudeau: Mr. Speaker, I have been prepared to give, and indeed do give, the kind of leadership that I thought best. The leadership that we are not following is that of the hon. member. Nor, indeed, are the rest of his colleagues following that leadership.

Mr. Speaker: The hon. member may put a final supplementary

Mr. Grafftey: Has it not been made clear to the Prime Minister by many people in this country since the declarations were made last week that the Canadian people are not satisfied with blind trusts, frozen trusts and that sort of thing?

Mr. Trudeau: No, Mr. Speaker, that has not been made clear. I have heard the hon. member voice that opinion but I have not seen general, overwhelming support for his opinion. Nor is this the case even among his own members in the Tory party.

* * *

NATIONAL DEFENCE

EFFECT OF FINANCIAL RESTRAINTS ON OPERATIONAL ROLES OF FORCES

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of National Defence. In view of the increased emphasis on offshore resources, pollution off our coasts and a presence in the north, would the minister explain the rationale for the cutbacks in the operations of Maritime Command which have resulted in one flight every six months in the north, next to no effective coastal patrols, and no joint exercises with our NATO allies?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I have before me figures for the last month. There were 15 Argus flights in October and 12 Tracker flights. This amounted to 150 hours for the Argus and 67 flying hours for the Tracker. We have carried out more flights than this in other months, but these facts confirm that the surveillance flights are being flown on a regular and continuing basis.

Mr. Nowlan: A supplementary question, Mr. Speaker. Could the minister assure the House that the figures he has just read out are flights for training, which has top priority to keep men in a training stance so they can learn; and can the minister confirm that there has not been a flight to the north or over the north, about which we talk so much, and that none is intended until after this fiscal year?

To conclude this supplementary question, Mr. Speaker, can the minister tell the House what we are not doing now that we did do before the financial restraints of the minister cut back operations?

Mr. Richardson: Mr. Speaker, I think my previous answer indicated that the surveillance flights are continuing. Some of them are training flights, but there are flights over the Atlantic. Flights to the north have been curtailed and no date has been set for the next flight to the north.

EFFECT OF FINANCIAL RESTRAINTS ON STRENGTH OF FORCES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a supplementary question though it comes closer to a question of privilege. The minister knows that that answer is pure pap and that we are in serious trouble. My supplementary question to the minister arises out of a response given by the Minister of Finance, who has indicated to the House, by way of explanation of his remarks last night, that it was not the intention of government to cut back the numbers of people in the public service of Canada. I ask the Minister of National Defence

whether he has a clear understanding from the Minister of Finance and the Prime Minister that that philosophy will apply to the Canadian Armed Forces and defence employees.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I have explained to the House on earlier occasions that the numbers in the Canadian Armed Forces must be related to the tasks, and we are in the process of bringing the numbers and the tasks into balance.

EFFECT OF FINANCIAL RESTRAINTS ON STRENGTH OF FORCES IN YUKON

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the Minister. In view of the announced intention of the government regarding the cutbacks and the avowed policy of the government to establish and retain Canada's sovereignty in Canada's north through the presence of armed forces personnel there, is it also the intention of the government to cut back on the existing armed forces' strength in the Yukon, which is now five to cover 207,000 square miles of Canada's sovereign territory?

Hon. James Richardson (Minister of National Defence): No, Mr. Speaker. I would remind hon. members that the defence budget has not been cut; it has been increased by more than a quarter of a billion dollars this year over last year.

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ADMINISTRATION OF JUSTICE

MR. CHARLES SPATERO—REASON FOR ALLEGED DELAY IN INSTITUTING EXTRADITION PROCEEDINGS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question refers to a matter I raised in the House a week ago obviously seeking either comment or information from the government, and regarding which I have received neither. My question relates to Mr. Charles Spatero, a convicted arsonist, with very obvious international criminal connections who, while on weekend leave from the Warkworth prison, a federal institution, crossed the border in a green Cadillac traceable by law enforcement agencies on both sides of the border to an international criminal figure. During the period Mr. Spatero was in Buffalo, he was even interviewed by a Toronto newspaper—

● (1450)

Some hon. Members: Question.

Mr. Speaker: Order, please.

Mr. Lawrence: My question, Mr. Speaker—

Mr. Speaker: Thank you.

Mr. Lawrence: —is to the Minister of Justice. Why was there a delay from June 15 to July 26 before the extradition papers were signed in the minister's department, and why was there a delay from July 26 to October 29 before these same extradition papers were received in the office of the law enforcement agency in Buffalo, New York?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, as I understand it from memory, the actual locating of this individual took place on July 4, and after that the proceedings to put the necessary material into flow began with the Crown prosecutor in the province of Ontario playing his part through the Department of Justice, the Department of External Affairs, the United States Consulate Office and so on. There was in this particular case some difficulty with the material in that some backup work had to take place which resulted in the lengthy time lapse.

Mr. Lawrence: Mr. Speaker, does the minister mean there was difficulty in the Department of Justice here in Ottawa in respect of the actual serving of the papers from July 26 to October 29?

Mr. Lang: Mr. Speaker, as I understand it, the problem in respect of the papers was actually between two arms of the United States government.

* * *

THE CANADIAN ECONOMY

REQUEST FOR GOVERNMENT ESTIMATE OF NUMBER OF UNEMPLOYED IN 1975—GOVERNMENT ACTION TO REDUCE UNEMPLOYMENT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in view of the projection last night by the Minister of Finance that 250,000 new jobs will be created next year as compared with over 400,000 jobs in each of the last two years, and in view of rapidly increasing unemployment in the United States, would the minister indicate what he and his advisers have estimated as the number of unemployed in the year 1975?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I never make any prediction as to the rate of unemployment because of the number of variable factors that can play a role, including the inability to predict what the labour force will be, how many young people will leave or enter it and how many women will be part of it. As a result, I confined my prediction, as I have since holding my portfolio, to the number of new jobs and to the rate of growth.

Mr. Orlikow: Mr. Speaker, in view of the layoffs already announced by such industries as the labour industry, the textile industry and the auto industry, would the minister indicate what specific steps, if any, the government intends to take to deal with this accelerating problem of unemployment?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, that was the reason for the stimulus added to the economy last night.

[*Translation*]

AGRICULTURE

BEEF—GOVERNMENT ACTION TO AID PRODUCERS

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I want to put a question to the Minister of Agriculture.

Since the Minister of Justice said that wheat producers will see the price of their product increase, does the government intend to take the same measures to help beef producers?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, this is related to the initial prices paid to farmers in the west and has nothing to do with feed grain costs in the east.

[*Translation*]

UNITED STATES QUOTAS ON BEEF—SUGGESTION ACTION CONTRAVENES GATT

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I wish to ask a supplementary question.

Could the minister tell the House if United States restrictions on Canada's beef exports to the US contravene the GATT trade agreements signed by the two countries?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): We think so, Mr. Speaker.

* * *

CONFLICT OF INTEREST

REASON FOR EXEMPTION OF SPOUSES FROM DECLARATION OF INTERESTS AND TIME SPAN ALLOWED FOR DECLARATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the right hon. Prime Minister in connection with the conflict of interest position that exempts spouses of ministers from any control and provides a very substantial period of time before ministers need register their arrangements. I should like to ask what the reason is for that time span and how he is going to overcome any suspicion that this would provide a minister with the opportunity of transferring embarrassing resources to his or her spouse.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the time span is not part of the policy guidelines. In reality I think the guidelines should be implemented as soon as reasonably possible. In the case of some ministers, this really means immediately, and in other cases this means disposing of various forms of holdings, which very often cannot be done overnight and takes some time. I feel it is within my responsibility, and that of the ministers, to proceed with all due diligence in making sure that in the meantime there are in fact no conflict of interest situations which do arise.

As far as the spouse is concerned, Mr. Speaker, the guidelines do not include them directly. The intention is, of course, to ensure that the minister, whether the minister be male or female, is fully responsible for any conflict which might arise through his or her spouse. The government quite frankly felt, and I would be interested to hear if the opposition has contrary views, that it was not in keeping with modern standards that the spouse be guided or obligated by whatever career his or her spouse has, and that the spouse should not be prevented from engaging in the pursuit of his or her choice.

Mr. Stanfield: Mr. Speaker, I will make it clear to the Prime Minister that I have the opposite view for the simple reason that the provision makes a complete farce of any regulations that have been developed.

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[*Translation*]

INDUSTRY

UNITED AIRCRAFT—PUBLICATION OF DOCUMENTS CONCERNING GRANTS

Mr. Jacques Olivier (Longueuil): Mr. Speaker, I have a question for the Minister of Supply and Services.

Could he tell us when he intends to release those documents relating to United Aircraft of Canada Ltd. and the Department of Industry, Trade and Commerce, and why they have not yet been released?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I have been studying the matter of publishing United Aircraft of Canada Ltd. development contracts with my colleague, the Minister of Industry, Trade and Commerce. Officials of my department have had talks with United Aircraft representatives with the specific aim to disclose publicly as many documents as possible. The result of that procedure is that we now have a great many documents which will require several days to be translated. Therefore I kindly ask the House to wait until we are ready to table every required document to meet the wishes of the hon. member.

* * *

[*English*]

FINANCE

REASON FOR REDUCTION OF TAX ON BUILDING MATERIALS—PROVISION FOR MONITORING RESULTS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in view of the minister's previous objection to removing the sales tax on building materials because in his mind the benefits would not accrue to purchasers, will the Minister of Finance tell the House what persuaded him to make a change of this kind and, if his original view still holds, has he made arrangements with his colleagues, the Minister of State for Urban Affairs and the Minister of Consumer and Corporate Affairs, to monitor the situation in respect of these price changes, and also the changes in respect of production machinery in the hands of those who produce mobile and prefabricated homes?

● (1500)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have changed my mind about the tax because the economic situation changed. I held that view for two or three years because of the strong demand for housing as opposed to the inadequate supply, and that the removal of or a reduction in that tax would not have much effect on the price of housing. Now, the demand has slacked and there is an inadequate number of houses being built, so the economic force would come into play and that reduction in the cost represented by the tax cut would be reflected in lower prices. To insure that this is the case I have asked my colleague, the Minister of State for Urban Affairs, to conduct a monitoring of the results of that cut.

[*Translation*]

REQUEST FOR ASSURANCE CONSUMERS BENEFIT FROM REDUCTION OF TAX ON BUILDING MATERIALS

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a supplementary for the Minister of Finance.

Since a recent inquiry clearly demonstrated that repealing the tax on clothing and footwear was of no avail to consumers, I should like to ask the minister how—

An hon. Member: That is not true.

Mr. La Salle: Mr. Speaker, I shall repeat my question to the Minister of Finance. May I ask the minister, considering that the tax on building materials dropped from 12 to 5 per cent, and considering there is no price control—

An hon. Member: It is not true.

An hon. Member: You need information.

Some hon. Members: Order.

[*English*]

Mr. Speaker: The hon. member will understand that his role during the question period is not to make a speech but rather to ask a question. If we are to get around to as many members as possible it is simply impossible to accommodate this kind of preamble.

[*Translation*]

Mr. La Salle: Thank you, Mr. Speaker. How can the minister assure the House that the 7 per cent reduction of the tax on building materials will benefit consumers, taking into consideration the examples which I gave.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I could not hear the preamble of the question, because there was confusion in the House as well as in the question asked by the hon. member. Anyhow, I can assure him that the reduction will be closely checked.

[*English*]

EFFECT OF BUDGETARY PROPOSALS ON JOB VACANCY RATE—INTENTION OF GOVERNMENT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Finance. Given the fact that the partial thrust of the budget is to create something like 250,000 jobs, at the same time he made no mention of any policy to remove the disincentives. I would point out that the job vacancy rate is something like 20.2 per cent or some 130,000 job vacancies. Would it be fair to ask the minister whether he is attempting to add to the job vacancy rate as a result of this thrust without giving any direction or introducing any policy to remove the disincentives to work.

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

MANPOWER

JOB VACANCY RATE—POSSIBLE PREMATURE CURTAILMENT OF IMMIGRATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration. In light of the fact that the job vacancy rate has risen to an unprecedented state in terms of 20.2 per cent or some 130,000 jobs outstanding for the past four weeks, does the minister not now believe he was a little premature in bringing about curtailment of immigration in light of the fact that many of these jobs will continue to be taken by the immigrant labour force?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think the hon. member is indicating a complete misunderstanding of the regulations and changes we did make which, while curtailing the increase in the rate of immigration, still permit the expediting of people from abroad where that is the only avenue or only source for workers, Canadians having been considered as to availability willingness and competence for the jobs in the first place.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I rise on a matter of privilege concerning the remarks made by the member for Joliette that consumers did not derive any benefit from the withdrawal of the tax on clothing and footwear. I can assure him that the work done by the officials of my department, far from disclosing—

Some hon. Members: Order!

Mr. Ouellet: Mr. Speaker, I see that the members opposite do not want to learn the facts.

[*English*]

Some hon. Members: Order.

Mr. Baldwin: I rise on a point of order, Mr. Speaker.

Mr. Speaker: Order, please. The hon. minister has the floor on a question of privilege. Until I hear what he has to say I am unable to decide, as is the case in respect of all hon. members in the House, whether it is a proper question of privilege.

[*Translation*]

Mr. Ouellet: I want to assure you, Mr. Speaker, that what should be revealed in this House are facts, not allegations. I think it is my duty to inform the House that this inquiry is going on. Until now there is no reason to

believe that this tax bears unjustly upon consumers. On the contrary, I can assure the hon. members that if this tax had not been removed, prices would likely be higher still by now.

[*English*]

Mr. Speaker: The hon. member for Peace River,

Mr. Baldwin: Mr. Speaker, I hesitate to interrupt the question period, but Your Honour has clearly held, and properly, in respect of members on this side of the House that it is not a question of privilege for a member to stand up in the House and try to correct a statement made elsewhere. Your Honour has clearly ruled in this manner. The minister has violated the rules of the House. He knows better and should not be allowed to get away with it.

Mr. Speaker: Order, please. I do not find myself in great difficulty in deciding on this question of privilege. However, if there are other members who wish to make a contribution I will be happy to hear them at this time. Without further contribution on that particular question of privilege, I have no difficulty in deciding that that is precisely the same kind of exercise in which members of the opposition have often engaged the House by suggesting they are unhappy with the content or quality of a statement made by a minister in reply. Similarly I do not think it is a question of privilege for someone on this side of the House to comment on the quality of a question from the other side.

Orders of the Day.

Mr. Broadbent: Mr. Speaker, I have a point of order which arises out of an answer of the Minister of Supply and Services a few moments ago. A week ago in the House I asked the Prime Minister if the government would provide all the documentary details concerning the contractual arrangements entered into between the government and United Aircraft pertaining to grants that company had received. At that time the Prime Minister had said that in principle he would be in agreement if the company agreed. Subsequent to that, on the next day in the House, the Minister of Industry, Trade and Commerce confirmed that that would be done. Today in his answer, if I heard the Minister of Supply and Services correctly, he used the words "as many documents as possible", the implication being that all of them would not be provided. I wonder whether the minister, on this very important question, would take a minute to clarify the situation. Are we to get all the documents and contracts entered into between the government and United Aircraft or are some to be omitted?

Mr. Speaker: I believe the hon. member has a very valid point of order to clarify what documents the minister proposes to table in view of the fact that it was the minister who indicated that he proposed to table some documents.

Mr. Goyer: Mr. Speaker, I related my answer to the development contracts.

Mr. Broadbent: Mr. Speaker, with respect, may I say that that does not exactly clarify the situation. Is the minister saying that all the details pertaining to research and development contracts will be tabled or will some of those be omitted, or are all of them in that category?

Mr. Goyer: Mr. Speaker, I intend to make public the main contracts and most of the attachments annexed. The only texts I do not intend to disclose are those related to technical problems and problems related to the engine itself, not the financial arrangements or the capacity of the corporation to hit external markets.

Mr. Speaker: Orders of the day.

Mr. Towers: On a point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Red Deer rises on a point of order.

● (1510)

Mr. Towers: Mr. Speaker, the Prime Minister referred to a note sent to Washington. I wonder if he would be prepared to table that note in today's *Hansard* as an appendix.

Mr. Speaker: Order, please. The hon. member for Red Deer has the floor in this debate.

Mr. Towers: Mr. Speaker, I rose on a point of order.

Mr. Speaker: With due respect to the hon. member, I heard his suggestion that he had a point of order. However, the Prime Minister (Mr. Trudeau) gave no indication of an intention to table any document.

An hon. Member: He did not hear.

Mr. Towers: Mr. Speaker, apparently you did not hear me when I rose on a point of order.

Mr. Speaker: Order, please. I heard the hon. member very well. He rose on a point of order and asked a question. I am simply endeavouring to indicate to the hon. member as clearly as I can that he does not have a point of order; he has a question for the Prime Minister but the question period is over. In the case of the previous hon. member who had a point of order, the minister indicated that he proposed to table certain documents and the hon. member wanted clarification as to the documents the minister wished to table.

In this case there has been no indication of any intention to table documents. I submit, therefore, that it is not a point of order but simply a question put to the Prime Minister, which may only be asked in the question period and not after orders of the day are called. I recognize the hon. member for Red Deer because he has the floor in the debate before the House.

GOVERNMENT ORDERS

[*English*]

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENT TO INCREASE MAXIMUM AMOUNT OF ADVANCE PAYMENT

The House resumed, from Monday, November 18, consideration of the motion of Mr. Lang that Bill C-10, to amend the Prairie Grain Advance Payments Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Gordon Towers (Red Deer): Mr. Speaker, as I rise to speak in this debate I feel it is our responsibility on this side of the House to warn people in western Canada who are in the business of producing grain to watch with great attention the agreements they are entering into with regard to advance payments. We recognize the fact that this piece of legislation is generally considered to be good, but it could well be that we will be making amendments to it because there are shortcomings in the bill which should be considered in committee.

We know that the maximum rate of advance payment is $15 per acre for wheat, $18 for barley and $14 for oats. In view of the fact that this constitutes only about 10 per cent of the income from the vast majority of the land used to grow these grains, it could well be that we will have to consider this matter in committee. It seems to me that the minister in charge of the Canadian Wheat Board is playing a game of roulette with western Canadian grain producers. I warn producers to be careful with the arrangements or agreements they make with this minister, because I consider some of his statements to be devious. One of the first things I learned as a boy when at an exhibition was that when you saw somebody with money in his hand, you had to be careful. I remember that on one occasion I learned what was probably the best lesson I ever had: a man was standing with $4 in his hand and he said to me, "If you give me $2, I will give you $4", but when I gave him $2 his $4 disappeared.

I am reminded of this story now, when the minister in charge of the Canadian Wheat Board is bringing in legislation to advance to individual prairie grain the sum of $15,000. We must realize, also, that this amount is multiplied for two or three producers. This is as it should be, because agricultural operations are becoming much larger. However, one of the shortcomings in the game the minister is playing is that inevitably the initial payment for grain each year is much lower than it should be. A case in point was this year.

Yesterday the minister rose in his place and increased the initial payment, and rightly so. There is no reason in the world why there should not be such a reasonable payment at the beginning of the crop year. There would not, then, be any reason for an interim payment. The minister always seems to be handing out a little bit of candy as you would to a youngster. I can assure the minister that the producers in western Canada do not wish to be treated like children: it would be wise for him to recognize that they do not appreciate this. There is no reason why the minister cannot make a fair assessment, at the beginning of the crop year, of the vicinity the final payment will be in. He should at least be able to give the producers 75 per cent of the final payment initially, and I am sure the producers would be happy with it.

It would be in the best interests of the producers, the grain companies and the Canadian Wheat Board, as well as members of the House, if the minister would take it upon himself to increase the initial payment to 75 per cent or 80 per cent of what he anticipates the final payment will be. Of course, the minister juggles around with the final payment. If there should be an election in the current year he will grant it early, but if there is no election he will hold it back until a later date.

The deviousness of the minister was evident yesterday when he suggested in the House that the income of western producers was increasing at a phenomenal rate. He said that the increase in the first three quarters of last year was 90 per cent in the province of Saskatchewan. Perhaps it was, if he wants to use percentages, but he did not tell members of the House on what he was basing his percentage.

An hon. Member: Cash receipts only.

Mr. Towers: Cash receipts only, my colleague says. As the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) has stated, the income of the western grain producer is still far below that of other people in the industry. Even the grain handlers are making far more than the prairie grain producers, so I do not think it is exactly cricket when the minister uses percentages. It would be far better, far more honest, if he used the dollar value, because this is what should be recognized.

Also, the minister is trying to push through committee the two-price system for wheat which was dealt with in Bill C-19. We have reservations about that legislation. There were weaknesses in that bill and we notified the minister of an amendment we were going to put forward. In all these cash transactions the prairie grain producer must exercise a great deal of caution in dealing with the minister. At a Grains Council meeting in Edmonton not too long ago, the minister started meddling with the Crowsnest freight rate. Now he is putting forward another piece of candy for the prairie grain producer. He says he will give the grain producer a subsidy if he, the minister, will be allowed to juggle the Crowsnest freight rates.

I warn grain producers to watch the manoeuvring of this minister because they must remember that the candy might disappear. I suggest that one of the prime responsibilities of the hon. member for Assiniboia (Mr. Goodale), who represents a large wheat growing area, is to cast a scrutinizing eye on what the minister is doing, and to at least help us on this side of the House to keep the minister within bounds. Then we come to the matter of stabilization on which the minister said he will bring in a bill. He will take a dollar from the grower and the government will put in a couple of dollars. Mr. Speaker, I suggest it would be a good idea if the minister in charge of the Wheat Board (Mr. Lang) and the Minister of Agriculture (Mr. Whelan) got together and worked out a policy on crop insurance in lieu of a stabilization bill. When the Minister of Agriculture brought in his crop insurance bill, it was supposed to resolve all the problems of agriculture—but it did not go far enough. The Minister of

Agriculture did not accept our suggestions nor, apparently, did he accept any from the minister in charge of the Wheat Board. Surely, if the two ministers put their heads together they could present a policy that would be for the benefit of agriculture in Canada, especially western agriculture.

● (1520)

There is no doubt, Mr. Speaker, that stabilization will establish another large bureaucracy for this country. Last night in his budget speech the Minister of Finance (Mr. Turner) hinted at a freeze on the size of the civil service, but there is no denying the fact that one of the largest bureaucracies that western Canada has known would be required to implement a stabilization bill. This is the area where the minister should co-operate with the Minister of Agriculture to bring in one all-encompassing program for the benefit of all. As things stand now, some farmers will be in the crop insurance program, some in the stabilization program—if they accept it at all—and probably some farmers will not be in either.

Next comes the farm credit program which is to be enlarged. There is the danger that it will involve farmers in such a large amount of debt that they will never get out of it. Some years ago a former minister of agriculture who is now a member of the other place prophesied that the time would come when those who operated farms would not own them. As a westerner and one who has, with a good wife, raised a family on a farm, I can assure you, Mr. Speaker, that it will be the saddest day Canada has known if we reach the point where the farm operator is not also the owner. We just have to consider what is happening in Russia in this regard: at the present time, 15 per cent of agricultural production comes from the 3 per cent of the land allocated to the operators. This should be a lesson for us, Mr. Speaker. No program should ever be initiated in this country that would take ownership of the farm away from the operator.

An hon. Member: Hear, hear!

Mr. Towers: I am glad my hon. friend across the way agrees, because it means he will keep his eye on this devious minister. The sad thing is that the minister is also the Minister of Justice, so it is hard for the Canadian Wheat Board to get justice if he does not see things the same way as it does. This minister also lent support to the Minister of Labour (Mr. Munro) and the Prime Minister (Mr. Trudeau) when the grain handlers were on strike. Western Canadians have not forgotten that, and are not likely to for a while. I should like to draw the attention of the House to an item which appeared in yesterday's Ottawa *Journal*. It reads:

> A spokesman for the Public Alliance of Canada said Sunday federal grain inspectors in Vancouver have voted to reject a conciliation board report. The conciliation board report called for a lump sum payment of salary retroactive to July 29 and a 12.5 per cent raise in a one-year contract dating from November 15.

Mr. Speaker, I said this minister was devious and I believe this to be true. He tried to back the Prime Minister and the Minister of Labour by sending word to the western farm groups, the basic producers of wheat, oats and barley to put pressure on the grain companies to agree to the grain handlers' demand for a 61 per cent increase in wages. The government is now offering 12½ per cent to its employees.

Mr. McIsaac: Mr. Speaker, on a point of order, I wonder if you would draw to the attention of the hon. member for Red Deer (Mr. Towers) the fact that the bill before the House deals with cash advances to grain farmers. We had a debate some time ago, and probably could have another if the hon. member wants to put forward a motion, on this labour question and the award. The bill before us deals with an entirely different matter from that which the hon. member has spoken about for the last half hour.

Mr. Hnatyshyn: Mr. Speaker, I rise on the point of order. I do not believe that is a valid point of order, with respect. I do not think the parliamentary secretary would want to tell my colleague the type of speech he should make. I find the hon. member's remarks relevant to the topic at hand, and I think it is improper—

Mr. Deputy Speaker: Order, please. Whether or not there was a point of order, I am sure the last intervention had nothing to do with it. The hon. member for Red Deer (Mr. Towers) is touching generally upon the subject of agriculture, and I think this is fair. It is very difficult to speak of financing and inflation in the field of agriculture without touching upon the general subject.

Mr. Towers: Thank you, Mr. Speaker. I appreciate the comments of the hon. member for Battleford-Kindersley (Mr. McIsaac), and I realize that he does not seem to comprehend what we are talking about.

Some hon. Members: Hear, hear!

Mr. Towers: What we are talking about is a two-price system. We are talking about the financing of the western grain producer.

Mr. Lang: You are filibustering.

Mr. Towers: We are talking about financing the grain producer. The hon. member for Battleford-Kindersley apparently does not understand when we talk about a two-price system. He said it was a small item, but we are talking about $70 million and that is a lot of money to us. If the hon. member for Battleford-Kindersley does not think so, he can report to his producers—

Mr. Lang: Tell us how to paint a granary.

Mr. Towers: I have to report to my producers, and they tell me that $70 million is a lot of money. The western grain producer has to be careful not to get too far in debt, because financing is available to him and his margin of profit is so small that he will not be able to pay off his debt. We were dealing with grain inspectors. At present the elevators in my area are plugged. We are on a three-bushel quota and grain producers find it difficult to deliver grain while people on the other side of the world are dying of hunger. This government sits on its fanny and does nothing to improve transportation to reduce the amount of grain in our elevators. Farmers rely on advance payments because grain does not move. They need money to pay taxes and to pay grocery bills. They, too, are consumers. It costs them as much to live as it costs any

other consumer in Canada. That is why we must chastize this government: it is not moving grain as efficiently as it ought to be moved.

● (1530)

Farmers need extra money with which to buy fertilizer, the price of which has also been inflated. Fertilizer prices have risen from $103 to $163 for 11-48. That is a 60 per cent increase in one year. In addition, machinery prices have increased this year by approximately 30 per cent. The price of land has doubled, not because it is in demand for agriculture but because outside money has pushed up the price. Only if those engaged in agriculture can make even a modest profit will some land continue in use as agricultural land. Without a modest profit, farmers cannot stay in business.

Advance payments are not the answer. They have nothing to do with profits. Every cent of the advance must be repaid. The minister himself said that 99.9 per cent of advances over the years have been repaid. What else should we expect? Does he not realize that he has been dealing with farmers, who are honest. This money must be paid back. He has asked the grain companies to administer this program. Is this fair ball? He has asked them to distribute money and to collect it. When the Minister of Finance asks the banks to sell bonds, he rewards them. The banks do not worry about collecting money.

Under the present program, however, the grain company or the elevator agent is accountable after five years for money not collected. That is, they are accountable for the debt outstanding. There are bound to be some people who find it hard to pay because of unforeseen circumstances. I say this is a very important question on which we should spend some time. Does it matter if the agent is accountable for 10 per cent of outstanding debt or for one-quarter of 1 per cent of total advance payments? By giving him that responsibility, are we playing fair ball? The government is asking these agents to advance money to farmers. In return they will receive nothing except the goodwill of those whom they serve. We must examine this aspect of the bill in committee.

Surely the minister will be fair. He may even consider the suggestions of members from western Canada which could be of fundamental importance to western Canada and all grain producers. After all, we want to continue grain production at its maximum. If it were not for our grain, our balance of payments in Canada would be in terrible shape and Canadians would not be enjoying their present benefits. But for our exports of agricultural products and natural resources our trade balance would be one of imbalance. No country can long survive under such conditions.

Therefore, I urge the minister to consider the proposals we shall bring forward on behalf of prairie grain producers. We want to facilitate passage of this bill. We are not trying to filibuster: we merely wish to demonstrate some of the shortcomings of this bill and impress upon the minister and his colleagues how important these issues are to grain producers. We shall look after the interests of the prairie grain producers as long as we are able to stand on our feet and voice disapproval of policies which we do not think are in the best interests of all concerned.

[Mr. Towers.]

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I am glad of this opportunity to voice my concern about agriculture. This bill deals with one aspect of agriculture, the provision of advances to grain producers for wheat stored on the farm. It has been generally accepted that the principle behind this legislation has been useful. Although this bill will be useful, I suggest that its usefulness will be limited. Why, Mr. Speaker? The agricultural industry is now working under conditions of deep distress. The Minister of Agriculture (Mr. Whelan) occasionally expresses interest in the plight of agriculture, but apparently he is not supported by his cabinet colleagues. This was made abundantly clear in last night's budget speech which did not contain a single reference to incentives or assistance to farmers in any part of the country. That was deplorable. I think the government ought to be ashamed of that omission, especially in view of the importance of agriculture to the well-being of this country.

The bill we are considering is designed to increase the amount of cash which may be advanced to a wheat producer. It will assist him until he must repay the cash advance. For that reason I suggest that the bill is one of limited usefulness. The basic difficulty facing our farmers stems from the fact that the government which has been in power most of the time since confederation has taken no interest in agriculture. This government has acted in accordance with a report on agriculture which was produced several years ago. That report suggested that surpluses of agricultural commodities which could not be disposed of were responsible for the difficulties facing farmers. The government then decided that the obvious answer was to reduce the number of farmers on the land and most of its agricultural policies were aimed at reducing the number of farmers. Once farmers were taken off the land the government did not need to worry about their income. That basic policy has been detrimental to this country. It must be changed or thrown out because it has not helped Canadian farmers.

In the five-year period 1956-61, approximately 95,000 farm families left the land. In the next five-year period, 1961-66, when a Conservative government was in power, because of the great interest which that government took in agriculture the rate of farm depopulation decreased—only 50,000 farm families left the land. Significantly, between 1966 and 1971, when the Liberals were back in power, rural depopulation escalated and 65,000 farm families left the land. These figures speak for themselves: I do not need to elaborate on them.

● (1540)

We have to ask ourselves how long this kind of depopulation can continue before this country is in the position where it can no longer produce enough food to feed its own people. I think the answer is, "Not very much longer." Indeed, in 1969, for the first time in the history of this country, there were many areas of agricultural production in which we did not produce enough to feed our people. We had to depend upon imports to supply our needs—imports which this country is well equipped to produce: I am referring to meat, dairy products, poultry products and sugar, commodities we are well able to produce.

We witnessed no particular action by this government to relieve that situation. Instead, we have had general poli-

cies, on a continuing basis, designed to create disincentives to our farmers. An example of this is the LIFT program. At that time, the minister responsible for the Wheat Board, the minister from Saskatchewan who at least theoretically should be familiar with agricultural problems, visited his rural constituents and found they had a lot of wheat in their bins. It so happened at that time Canada was having difficulty disposing of its wheat. In his wisdom, the minister decided not to seek markets but to pay farmers to stop growing wheat. That was somehow supposed to help farmers. The minister's thinking was that if you reduce the farmer's income by 100 per cent in one year, it does not matter as long as he does not have any wheat in his bin which the minister has to worry about disposing of.

Mr. Lang: We found record, new markets.

Mr. Yewchuk: If that is the case, can the minister explain why LIFT was introduced?

Mr. Lang: I have explained it many times, but I will explain it again.

Mr. Yewchuk: I would also like the minister to explain how much that program cost the western wheat producer in terms of loss of income. I had the figure calculated not too long ago. I do not have it before me, but it was billions of dollars.

Mr. Lang: That is fictitious.

Mr. Yewchuk: It is not fictitious.

Mr. Lang: Totally fictitious.

Mr. Yewchuk: The reduced production of wheat caused by the 1970 program was not even recovered in the succeeding four years.

Mr. Lang: How do you know?

Mr. Yewchuk: Figures were provided to me by Statistics Canada for 1970, 1971, 1972 and, I think, 1973. They show that total wheat production was not up to the level which was achieved prior to the LIFT program. The LIFT program was followed by another brainchild of the minister responsible for the Wheat Board. It had the same goal: reduce the production of grain. That was the grass incentives program. Those two programs combined have almost destroyed western agriculture as we once knew it. If the minister responsible for the Wheat Board is honest and sincere, I do not think he will say to the House and the people of this country that those two programs were useful to western agriculture. He cannot say that either of those programs has stopped or even decreased the depopulation of rural areas that is taking place at this time. He cannot say that either of those programs caused the farmer to say, "Yes, there is a great future in agriculture. I will stay on the farm and encourage my children to do the same."

In his opening remarks the minister made reference to the great incomes which farmers are now receiving. It was less than honest, to say the least, to suggest that farmers' incomes are substantially better than they were 20 years ago. I have some figures for individual items. I will first deal with the price of oats. In 1952, 22 years ago, the price was 76 cents a bushel. In 1964, ten years ago, it was 62 cents a bushel. In that twelve-year period the price decreased by 14 cents a bushel. During that time farm costs did not go down by that percentage; in fact, they increased. In 1972, oats sold for 89 cents a bushel. For 1973-74 the price is $1.03 a bushel. This represents an increase in farm income, insofar as oats are concerned, of approximately 25 cents a bushel over the past 22 years.

In 1951, wheat sold for $1.55 a bushel. In 1962, it was $1.66 a bushel; and in 1972, $1.86. The figure for 1973-74 is $3.50. In the 20-year period 1952 to 1972 the price of wheat per bushel dropped from $1.55 to $1.35—20 cents a bushel. Can the minister tell me of any farm cost that went down a similar amount in that 20-year period? I challenge the minister to show me where farm costs were reduced during that period.

I now wish to deal with live beef sold at the stockyard. In 1951, the price was 28 cents a pound; in 1961, 19 cents a pound; and in 1971, 29 cents a pound. That is one cent a pound more than in 1951, over 20 years ago. I challenge the minister to show me where the cost of producing beef has decreased or even stayed the same during that 20-year period. The figures today are a little higher. However, the report of Mrs. Plumptre, chairman of the Food Prices Review Board, indicates that although the price the beef producer receives for his product is better than it was 20 years ago, he is still selling beef between 5 and 10 cents a pound, live weight, below the cost of production. I do not think the policies this government has put forward over the past two years in so far as beef is concerned have done very much to stimulate the industry. The government has not put forward anything to encourage beef production: indeed, everything that is happening does exactly the opposite.

The beef producer is in absolute despair at this moment. Many are dispersing their herds because there is no profit in beef production. We have read in the press in the last couple of weeks that farmers were slaughtering their animals to emphasize to the public of Canada the desperate plight they are now facing because of complete lack of action by this government to assist them in keeping the industry viable. I am concerned about keeping agriculture viable. That must be the concern of us all. Where will this country go if we continue to face policies which take people away from the land, create disincentives toward production and end in loss rather than profit? Keeping animals alive on the farm actually costs the farmer money now that he cannot sell them even for as much as it costs him to raise them. So I ask, where is this country going? I should like to know the answer to that question.

● (1550)

Let us now consider farm costs. I have spoken at length about farm incomes, which the minister gleefully said were so great at the moment. I have pointed out that over a 20-year period farm incomes basically have not changed. However, it can be readily pointed out that farm costs have tripled, quadrupled or even more over the same period. So where is the justice in this just society of the present Liberal regime? People are slaving away for long hours, summer, spring, winter and fall, producing food to feed this country and, indeed, to feed many parts of the

world. As a matter of fact, I think it is fair to say that our farmers are probably the most hard working people in the country, when looked at in terms of hours put in to keep their businesses going. Where is the justice when at the end of the year these people wind up with zero profit, or even suffer a loss? Some make $2,000 profit or a minimal amount like that. I wonder whether the minister responsible for the Wheat Board is proud of his achievement that the average net income of a western farmer at the present time is $2,200 a year?

Mr. Lang: Where do you get that figure?

Mr. Yewchuk: If the minister would care to do his own research he would find that that figure is close to accurate.

Mr. Lang: I will talk about that figure later.

Mr. Yewchuk: I ask the minister to show me which other group in this country, or indeed in North America, would be willing to work for one year for that kind of wage. I do not think he could do so. I should like to give a couple of examples of the kind of costs farmers are facing. Let me take the tractor that is equipped to pull a three-bottom plow, if I may put it in its simplest terms. In 1950 such a tractor sold for between $2,000 and $2,500. Five years ago it was selling for $5,000 to $6,000. I do not know what it is selling for today because of rapid increases, but I think it is around $10,000. This means that while farming income has basically stayed the same over a 20-year period, the cost of the basic implement of power on the farm, the tractor, has tripled or quadrupled.

Other farming costs, such as fertilizer, twine, barbed-wire and machinery parts have similarly doubled, tripled, quadrupled or increased even further during the past 20 years. Indeed, we do not need to go back that far; this increase has taken place within the past two or three years. The government indicated some small interest in this problem not too long ago when it appointed the Barber commission to study the prices of farm machinery. The commission made a report which included several recommendations. The Minister of Agriculture, in response to a question about a year ago, informed the House that he had implemented all of those recommendations but one, which I think was the one dealing with a tax on the profit made by farm machinery companies. The same minister has been asked since that time to tell us the effect of his implementation of these recommendations. Either he did not implement any of the recommendations or the recommendations were of absolutely no value in terms of keeping down the price of farm machinery.

I have already mentioned the beef producers. There seems to be some confusion on the part of the Minister of Agriculture and the Minister of Finance (Mr. Turner) about what the policy really should be. On one hand the Minister of Finance says we should increase production, though the events of recent weeks and months suggest the very opposite to producers. Indeed, as I have said before, many producers are in the process of dispersing their herds. Many questions have been asked during the past few days about how the beef producers can be assisted, but the only answer we have had was from the Prime Minister today. He said he had sent some sort of note to the United States, which I presume was a protest note but

which he refused to table or to divulge to the members of the House when asked to do so. I think that is a pretty feeble effort in dealing with a crisis situation, as feeble an effort as made by the minister responsible for the Wheat Board when the international grains arrangement ran out. The effort was so feeble that no international agreement was reached on the price of grain and no effective action was taken in terms of dealing with United States policy on the importation of Canadian beef.

If the minister, who considers himself the Messiah of agriculture—he told me that personally, using those exact words—is as good as he thinks he is, why has he not taken the opportunity of going to the United States to talk about the beef situation? Instead, he sits back and does nothing except to say that some day a stabilization program will be brought in. I do not think that kind of statement does very much to encourage farmers to stay in business. It does not help the cow-calf operator who is now faced with winter and no feed to winter his calves. If he disposed of them he would do so at a loss. This is why he is waiting impatiently for some solution from the government that was so recently given a mandate.

So, Mr. Speaker, basically we must do two things if agriculture is to survive. First, more aggressive and effective action must be taken to increase farm incomes. On the other side of the coin, more aggressive and effective action must be taken to decrease or at least stabilize farm costs. During the last election campaign we proposed a solution to this problem. I am not saying it was necessarily the best solution, but it was a solution. We proposed the placing of controls on farm costs. Indeed, we proposed placing controls on farm costs nearly a year ago. If our advice had been taken a year ago, I can say quite sincerely that our farmers today would be suffering nowhere near the distress they are suffering at the moment.

Mr. Lang: Look at United States farmers.

Mr. Yewchuk: Instead of listening to good advice—

Mr. Lang: What about the United States farmers?

Mr. Yewchuk: If the minister looks at the figures of economic performance in the United States during the time their controls were in effect, he would find they were a very useful instrument at that time. The difficulty has arisen since the controls were removed.

Mr. Lang: Exactly.

Mr. Yewchuk: That simply indicates that further action was required, not the do-nothing attitude the present government is taking and with which the United States government followed up its program. In any case, it falls under the whole general subject of inflation control. I am not suggesting to the minister that he must use controls if he does not like them, but he must do something. If he does not like controls, then what would he suggest to keep farm costs down? I have not heard him suggest anything. He has been mocking me for the past couple of minutes for suggesting controls on farm costs, but I have not heard him offer any kind of alternative that would be better.

● (1600)

Mr. Lang: The anti-profiteering bill.

Mr. Yewchuk: The fact is that to date nothing has been done by this government to keep farm costs down. No matter what their promises have been—promises of an anti-profiteering bill or anything else—nothing has been done and farming costs continue to accelerate at a rate which is absolutely unacceptable. As long as this minister, the Minister of Agriculture and this government continue to follow do-nothing policies or policies designed to discourage production, the agricultural industry in this country will continue to decline, with its only hope for the future being continued depression and despair.

I do not know what we must do to impress upon the minds of this minister, the Minister of Agriculture and the government, that drastic action is required in agriculture today. We can talk about promises and we can listen to them; we can listen to the minister commenting on problems in other countries of the world—but none of this really comes to grips with the agricultural problems of this country and none of it is helping our farmers to survive. It is time the minister and his colleagues reassessed the situation. It is time they realized Canada must remain self-sufficient in food production and, in addition, that we must remain a major food supplier for the world.

The World Food Conference in Rome, which dealt with massive food shortages in many parts of the world, has just concluded. This is an area into which Canada can fit extremely well, because if there is anything this country can do well, it is in the field of food production. All we need are policies from this government which will encourage food production, assure a reasonable return to the producers and assure some kind of long-term stability. If we can guarantee these things to the farmers of this nation, their long-term survival will be assured.

One of the things we might also consider—this goes hand in hand with my suggestion—is that more of our foreign aid should be given in the form of food, since producing food is one of the things we do best. I make that suggestion in conclusion, Mr. Speaker. I hope the minister responsible for the Wheat Board will consider the suggestions I have made. I noticed him making notes: I am sure he will take them home and study them carefully. During the remainder of this session I expect to see legislation dealing with these matters to the benefit of the Canadian farmer.

Mr. Jack Murta (Lisgar): Mr. Speaker, I shall not be long in my comments on Bill C-10. However, I would like to make one or two points, first on the legislation itself and then on the whole area of grain production in Canada. Most members of the House would agree that increasing cash advances from $6,000 to $15,000 is a step in the right direction. It has been said—and it is certainly true—that inflation has hit farming in Canada, specifically in western Canada, as hard as it has hit any segment of our society. One might suggest that the increase in cash advances is a partial buffer against further inflationary rates and it can be assumed that members on this side will not be opposed to the legislation when it comes to a vote perhaps on third reading.

One matter about which we must be concerned is that of providing a guarantee, a floor price or an intervention price in respect of grain production. We hear continually from people engaged in grain production about what will happen if the world market price drops. At the present time it looks as though grain prices will remain stable at least until 1977. One of the more important pieces of legislation to be brought in for scrutiny in the House of Commons is the grain stabilization bill, if and when it is presented.

From the little we on this side have seen of the grain stabilization bill I can only make two comments. Firstly, if the government is including all grains under this grain stabilization bill in respect of payments, I think that would be wrong. Secondly, if the government clings to its $25,000 limit as the total amount that can be accumulated by any one producer, that is totally and completely unrealistic having regard to the grain prices we are experiencing at the present time. We are all looking forward to a close examination of the grain stabilization legislation when it comes before us and, hopefully, we can make that legislation more acceptable and more in tune with the agricultural situation which now exists.

One thing I should like to refer to which is of concern to a lot of people in western Canada is this: we in the west, because of our energy resources and our agricultural potential, have a considerable responsibility to feed Canadians and other people around the world. At the present time we have high input costs in agriculture. Some examples are fertilizer, chemicals and fuels. Labour costs have also increased significantly, as have the costs of machinery and land.

If we are to maintain the kind of production required in present world circumstances, we must expand production in the area of grain. The one major problem that we are faced with in this regard is the problem created by increases in agricultural input costs. If the price protection the government proposes is not realistic in terms of dollar values, then we could conceivably have a reduction or cutback in grain production because of a reduction in the number of acres seeded to grain. If a farmer can make money by seeding a given number of acres, why should he expand the number of acres and take that added risk unless he is sure there will be a reasonable return to cover the extra risk involved? Consequently, unless something is done in a positive manner we could conceivably see a reduction in the actual number of acres used for the production of grain. I think this would be very detrimental to agriculture in Canada and to our balance of payments as a country.

● (1610)

The minister spoke about the positive aspects of what is taking place at the present time, and there are many. However, there are two or three uncertainties so far as grain is concerned. One is the whole aspect of transportation. No meaningful conclusion has been reached concerning the direction our transportation industry in Canada is to take. Discussions, meetings and studies have been undertaken, but there is still no clear path concerning the direction transportation is to take in western Canada. We are still at the point where we speak about inland terminals and whether there should be more, about the trackage situation at Vancouver and about whether the whole concept of grain elevator rationalization should continue.

The government has given no indication of its intention in respect of the abandonment procedure. The deadline for this will be within the next month. The whole question of grain transportation and the direction it will take in the latter part of the 1970s and into the 1980s is rather vague. This creates many uncertainties so far as the western agricultural producer is concerned. Another matter closely coupled with transportation is the Crowsnest pass rates. I believe the minister has been sending out feelers in the form of recent statements about what the government might like to do. At the resent time the government is not doing anything. In other words, the government is running a flag up the flagpole to see which way the wind is blowing. Rather than making positive statements, the government is making overtures. This creates uncertainties in the area of grain transportation.

When we speak of the Crowsnest pass rates we are speaking about something which is fundamental and almost a basic way of life. If the government feels that a change is necessary, it should state what is to be done in return for the removal of the Crowsnest pass rates. I think this is the type of thing the farmers will be looking for.

Another matter of frustration, contention and uncertainty is the movement of grain at both our grain ports—Vancouver and Thunder Bay. The longshoremen once again are talking about a strike and the grain inspectors, from the information I receive, are almost sure to go on strike in the very near future unless they receive the kind of pay increase the grain handlers received some months ago. There are examples of the types of uncertainties that exist at the present time. The government has not taken the lead in respect of these uncertainties, and in fact has left this matter basically to the grain industry. While this is not bad, still the government must assume the major role and be the major catalyst in this whole affair because decisions will have to be made in connection with transportation, the Crowsnest pass rates and, ultimately, labour.

These matters will have a great effect, not just for the next year but certainly for the remainder of this decade. Therefore, it is very crucial that at this time leadership is shown by the government. I expect that the minister responsible for the Canadian Wheat Board will have to assume a major portion of the responsibility in this situation.

In the area of the amounts and kinds of grain we have on hand in Canada, it is well known that the yield of the 1974 crop was disappointing. There was a decline in the grades of grain and a great proportion of it would fall into the category called utility. Because of this, I think prices will remain high for the foreseeable future, certainly into 1977 and perhaps even into 1978. An example of our supply situation is that the Canadian Wheat Board is to sell down so that it virtually has no grain left on hand. I think this is a commendable aim. It certainly is satisfactory at the present time.

Because of the quality of the grain, and because the price is remaining strong in respect of wheat in Canada—well into the $6 level—I think it must be pointed out to consumers well in advance that for the next few months, or possibly the next couple of years, they will have to pay higher prices for food in Canada. If the price of grain is high to the livestock, hog, cattle and poultry industries, this will affect the price of other commodities. I think the consumer will have to bear with the agricultural industry in this case and be prepared to accept higher consumer prices for food.

In conclusion, I should like to say that the increase from $6,000 to $15,000 in Bill C-10 in respect of cash advances is certainly welcome. I would caution the government, however, that if it should be found at some point that there is a downturn in the rain market—although this is not likely—the $15,000 limit may not be high enough. If farm input costs in respect of producing grain gallop along as they have, it will not take much of a downturn in the end price before farmers will be in a financial position similar to the one they were in during 1969, 1970 and 1971. If this situation should arise, I hope the government will be prepared to introduce an amendment to this legislation in order to increase the limit to more than $15,000, which would be more in line with the costs being incurred by farmers.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I rise to make a few comments on this bill. I support its general thrust: I believe it is recognition of the fact that the cash advance idea put forward by the government of the right hon. member for Prince Albert (Mr. Diefenbaker) was feasible. I remember in the discussions of 1957 that the Liberal government of the day felt that cash advances were not a good thing, that farmers would make off with the money or that the money would not be collected in substantial amounts. It has been proved that these fears were unfounded, and now we have an expansion of these advances more in keeping with the present situation.

So I agree in principle with the bill. However, I wish to make a few comments about the necessity of the elevator agent being a collector for the government. I feel that this situation should be looked at and that someone other than the agent might well be in charge of collecting accounts, particularly where there are disputes or in cases where the individual concerned may be in difficulty. The elevator agent is in a difficult position. He is an agent of the company, which very often is the pool or the United Grain Growers. He is also an agent of the Canadian Wheat Board and must interpret what is meant by the board's regulations, and so on. He must act as arbitrator in respect of grades.

● (1620)

In other words, he is caught in the cross-fire between his employers, the government—through the Wheat Board—and the Grains Commission, and he attempts to satisfy his customers and often his friends and the people with whom he lives in the community. Therefore, while there do not seem to be many accounts that are delinquent for a long time, it seems important that if possible these problems should be removed from the elevator agents and taken over by someone else. Surely, in the hierarchy of people who look after the grain growers some group might be found which would be better equipped than the elevator agents to cope with this problem.

Now I should like to turn to a few other matters that are related to this bill, although not directly. One is the budget. Last night the Minister of Finance (Mr. Turner) spent a great deal of time telling us that we should grow

more grain, and I think he almost used the expression that Canadians were living too high off the hog. I do not want to expand on this subject, but it seems to me there was nothing in the budget last night for farmers, for the grain handling system. Perhaps there was a little in it for the flour processors, but there was practically nothing for the individual farmer or grain grower. In the last six years there has been a steady erosion of the tax position of grain farmers in the provisions concerning straight line machinery depreciation and the basic herd for cattlemen. We are faced with the fact that the outlook for the world is not very good. One thing which we will be able to grow and which we can export is grain, but not beef in quantities. After 70 years in which Canada has been growing grain, at least wheat will be king in the next few years. Our ability to grow and to export grain is dependent to some extent on what is in this bill.

The next subject on which I would like to speak is the settlement by the government of the grain handlers' strike. I would like to comment on this matter because in the curling rinks, the coffee bars, the pool meetings and UGG meetings across the west everyone wonders whether the federal government is ready to nationalize the grain handling system, particularly the terminals. Perhaps it is not generally known that most of the terminals are owned by the grain handling companies and are in the hands of the western co-operatives. I think it was forgotten when we put through the grain handling bill that the farmers on the prairies own these terminals. As an official of the grain handling pool said to me, "If they take away our terminals, they will be taking away the guts of our system and then we might just as well give up the country elevators".

I was impressed by an article which appeared in the Toronto *Star*, written by Mr. Ed Finn, public relations director of the Canadian Brotherhood of Railway, Transport and General Workers. In this article he presents a unionist's point of view on the grain situation. I do not think Mr. Finn knows too much about the grain handling business, but I think he was expressing a point of view that is prevalent in the country. I think it is a mistaken point of view and perhaps Mr. Finn is somewhat uninformed, but I believe it will bring to the attention of the government, and the Minister of Labour (Mr. Munro) in particular, that bad relations at the grain handling end cannot be solved by nationalizing terminals and thinking that everything will then be all right. Mr. Finn suggested that our attention span with regard to labour matters is momentary and we forget about them as soon as a dispute is settled. Nevertheless, the after effects in Vancouver are still with us.

It is important to look at the facts. At the moment we have the demands from the Thunder Bay terminal union which are up for negotiation. These not only include the fringe benefits gained by the Vancouver workers, but $2 an hour in wages in the first year and $1 an hour in the second year of a two-year contract. This compares with the 87 cents and 65 cents legislated for Vancouver and would put the Thunder Bay workers far ahead of their Vancouver counterparts. This is an unheard of wage relationship when judged by any previous experience. I think the pool elevators and the UGG did realize that the demands would be high because of the Vancouver labour settlement, but the Minister of Labour kept reiterating that the Vancouver settlement would not be a benchmark on which to base settlement of disputes of other workers in the grain handling industry. The situation is very clear in the minds of Thunder Bay workers and their representatives and it will be a long time before the aftermath of that situation is over. Furthermore, Mr. Finn said in Vancouver that the four grain elevator companies and local 333 of the grain workers union have never been able to negotiate a contract voluntarily. There is no reason to be optimistic about their next confrontation.

● (1630)

It has been suggested in this House, and indeed throughout the country, that over the years grain handling companies have not negotiated in good faith. I think that is inaccurate, Mr. Speaker, and just helps to create an unhealthy atmosphere. It is agreed that the relationship between union representatives and the Vancouver management group is not good, but I do not think there is a hostile relationship between the men and the supervisory staff. At the UGG, 800 loads a day have been handled since October 11. Prior to that time only 300 or 400 loads a day were handled, so it would appear that relationships between management and the union are pretty good at that terminal. The government appointed Mr. Justice Bayda to look into the grain handlers' dispute, and his findings may be of some help.

The longshoremen will soon be entering into negotiations on their contract. The main difference between the longshoreman's role and that of the grain handler is that he does not work regularly and so traditionally has received a higher rate of pay. We must realize that although this bill will help to some degree, we will have to face interruptions in the supply of grain to world markets because of the demands of unions as they attempt to keep up with the cost of living. Another consideration is the budget measures which were announced last night, which will certainly increase inflation. Mr. Finn also made an observation, which has gained wide credence, to the effect that grain co-operations are almost entirely to blame for the problems on the west coast and at Thunder Bay. This is the impression given by the appointment of Mr. Justice Bayda by the Minister of Labour.

There has been a lot of talk about the nationalization of grain terminals. However, this is not the solution unless the government intends to give in to every request made by the grain handlers' union. The government has not had much success in handling its own employees—and I make this statement with regard to any government. The problem of the federal postal employees comes to mind, and also the problem of the federal grain inspectors who must clear the grain through Vancouver harbour. If the government should take over the grain terminals, it is likely that they would grant the grain handlers a raise in pay every time they demanded one, because the money would not come from the taxpayers but from the handling charges paid by farmers. We must rid ourselves of the notion that grain must be moved at all costs. There may well come a time, Mr. Speaker, when it is just too expensive to move grain and union wage demands must be resisted. Mr. Finn made a statement which I believe to be wrong but which received wide coverage. He said:

But the grain companies wanted to have a settlement imposed on them, so they could blame added costs on the government and claim further federal subsidies.

It is his view that governments would be more free with settlements if they owned the elevators, because they would be using the farmers' money and not government money. There is also widespread belief that the federal and other governments are involved in subsidizing grain handling. But this is not the case, Mr. Speaker. Any wage increase must come out of the handling charges paid by farmers. I raise this matter because I believe the western farmer is uneasy that the grain terminals may be taken away from him and nationalized, leaving him completely at the mercy of the government. Some western farmers feel they are too involved with the government already; that government is trying to tell them what to do and is not allowing them to work out their own problems.

I support this bill in principle, Mr. Speaker. I believe it will help the farmer to plan the difficult operation of moving grain from his farm to consumers across the oceans; but we must remember that there are many other people involved who can stop the flow of grain.

Mr. Arnold Malone (Battle River): Mr. Speaker, it is a pleasure for me to speak on Bill C-10 from which farmers across this country may expect to receive some benefit. It is a bill that was first introduced in this House some 17 years ago by a different government, and while the objectives and philosophies seem to be the same, the motives have changed. It seems to be an attempt to keep pace with the feed grains policy—a policy which has not worked as well as it should. I should like to make it clear at the start, Mr. Speaker, that a cash advance is not a hand-out to farmers. The publicity that is so often associated with such a proposition might give people the impression that farmers are getting something from the government for nothing. Perhaps the minister could clarify this and make it known that the farmer pays back the money.

We have been hearing a lot about food in these past weeks and I sometimes wonder why it has taken us three decades to realize the consequences of our agricultural programs. It is only three or four years since the LIFT program was introduced. We can look at the bill in that light and see that it begins to implement a philosophy relating to farmers which is long overdue. At long last farmers are beginning to be recognized as professionals, a status which agricultural producers have never enjoyed. Let me ask, why were farm people not represented at the World Food Conference in Rome? There, a whole organization was talking about international food production and there was not one farm representative from this country except the Minister of Agriculture (Mr. Whelan). There was much talk of food production but there was no farm representation.

● (1640)

Although I applaud this legislation as being one small step toward implementing professionalism in agricultural production, I say that we are doing too little, too late. If the conference in Rome had dealt, say, with oil instead of with food, can you imagine oil interests being represented only by the government? Would not one have expected to see representatives of the oil industry at such a conference?

[Mr. Ritchie.]

This bill is important because it represents one small step toward professionalism in agriculture and permits farmers to make predictions concerning agricultural production. If farmers are to be managers of their businesses, they must be granted the right of prediction. Thus, this bill starts to introduce what may be termed as the element of predictability. For example, consider what has happened in the beef industry. Some time ago the Liberal government in its so-called wisdom said to Canadian farmers, "We do not need so much grain. Grow grass." They introduced LIFT, and the results are there for all to see.

Now, because of an excess of beef, we have witnessed on television the slaughter of cattle. This is happening at a time when markets have not been stabilized. This instability has resulted from our interfering with the market system. That is why I say there can be no professionalism in farming until there is professionalism in the marketplace. Production will only be stabilized when farmers can predict market demand. The ability to predict is important if we are to maintain high, stable, ongoing, effective methods of production. For too long farming has been associated with life style and not with business. The farmer has been treated as a labourer, not as one who deals with pesticides and insecticides or acts as a veterinarian, or one who looks after a large capital outlay. The average farm on the prairies is worth at least as much as the average small business, perhaps even more.

This bill is to increase maximum advances from $6,000 to $15,000 per individual borrower and in so doing it seeks to keep abreast of conditions in the agricultural industry. It takes into account cost increases brought on by inflation and the difference between today's production costs and those of 15 or 20 years ago. However, I must raise one question about this bill. The increase provided for is not based on any principle: there is no sliding scale for advances and no formula which will take into account increases in costs of production. I suggest that if farmers are to become professionals and produce great quantities of high quality food, the bill must do more than just set a figure.

Mr. Lang: We changed the law last year.

Mr. Malone: The bill provides for a greater advance but does not seem to take into consideration costs of production.

Mr. Lang: It can.

Mr. Malone: With respect, there is no connection between the cost of production and the amount per bushel advanced. In other words, the bill provides for a flat rate. Let me talk about another important area. The federal government and provincial governments must accept an increased responsibility for maintaining agricultural land in production. Failure to do this will bring consequences which will be absolutely frightening in view of current trends. Literally, on every parcel of prime land in Canada we see industrial development and transportation systems.

If we were to examine a soil zone map of Canada we should see that land of the highest quality is being swallowed up by industry and transportation systems. I have learned that in the United States about 100,000 acres per day are put under concrete or pavement. Although I do not have Canadian data, I suggest that an equivalent amount of our land is so used, if we bear in mind our lesser population. We need soil and water for food production. If we ignore the importance of these resources we shall suffer the consequences.

Anthropologists say that human beings have been on earth for at least 50,000 years, every day of which men have eaten food or searched for food. Only in the last 2,000 or 3,000 years have we used hard metals, and only in the last two or three generations have we used oil. Yet we allow agricultural land to be destroyed. I suggest that we are much more conservation-oriented on land containing hard metals or oil. We must resist the tendency to gobble up 80 acres of prime land merely to build a highway system which will allow one to make a right-hand turn. Why does the government build airports in the midst of class 1 and class 2 soil, especially as this country, contrary to popular myth, is limited in its possession of really high quality soil?

Finally, it behooves us to talk about deplorable conditions in the grain industry for which the government must take the major responsibility. I am talking about what happened on the west coast. Hon. members will recall that in face of the strike of grain handlers on the west coast the government said, before negotiations had taken place, that it would stand by the recommendations of the Perry commission report. That report provided for an increase of about 61 per cent. The government asked farmers to write to grain companies and demand a settlement before parliament was recalled last fall. Now, grain inspectors who work in the same dust, in the same conditions and in the same buildings say that they will not accept the government's offer of 12.5 per cent. Who can blame them?

Originally, the government wanted to give grain handlers parity with longshoreman who worked alongside. The grain handlers said that if the government followed any principles it would grant them 60-odd per cent. We knew what would happen. Now we are witnessing the prospect of another strike; another mess in the grain industry. If the inspectors go on strike, we shall know whom to blame. Certainly farmers in this country would be most frustrated. But that perhaps is only part of their concern. Another concern must be the whole food situation about which we hear so much. We have just finished a week in which people all over the world have been talking about food. We must take a look at the kind of policies that are being established and the kind of commitments that are being made. They do very little to encourage farmers to raise more either in terms of quality or quantity.

● (1650)

The whole transportation system across the west is in a mess. You can walk from my constituency to Vancouver faster than you can ship grain—and I mean that literally. The average speed at which grain leaves the side postings until it arrives in Vancouver is an average of 4½ miles an hour. This takes into account the number of stops it makes at the various locales, the number of days it sits in Calgary before moving west, and the number of days it sits in port waiting to be unloaded. If you can walk from central Alberta to Vancouver faster than government trains can get there, obviously something is seriously wrong. Perhaps the government might suggest we carry grain out there in bags.

All of that is really to wrap up what I am saying. While I support this legislation in principle, the fundamental thing that must be a part of all legislation is to professionalize the farmer to the degree that he feels a sense of predictability, is encouraged and receives a reward for raising food. Obviously, the need is there to raise increasingly vast amounts of higher quality food measured not just by the style and appearance of the food product but by its nutritive value in terms of some kind of nutritive analysis. I simply say to this government they have a lot more work to do if they want to make the farmers comfortable and have as the end result a whole world that is well fed.

Mr. Craig Stewart (Marquette): Mr. Speaker, I wish to speak briefly to Bill C-10. We in the official opposition have always supported cash advances. This legislation was first introduced in 1957-58 by the government of the right hon. member for Prince Albert (Mr. Diefenbaker). When it was introduced, the legislation made possible the survival of many western farmers who were under extreme cash pressure. The minister stated yesterday that the main reason for bringing forward Bill C-10 was to keep cash advances in line with the growth in inflation. I am glad the government realizes how hard the farmer has been hit by inflation.

Mr. Lang: I didn't say that.

Mr. Stewart (Marquette): That is how I interpreted it.

Mr. Lang: You did not hear my remarks.

Mr. Stewart (Marquette): The minister must agree that no one is harder hit by inflation than the western farmer. We need only look at the extent to which his costs of production have increased in the past few years. In order to increase production he must use fertilizer in large quantities. However, the cost of fertilizer has doubled and in some cases tripled. In the past year the price of baler twine tripled. We must also look at the price of farm machinery. A combine that not many years ago sold for $15,000 now costs over $25,000. A half-ton farm truck that cost approximately $2,500 in 1967 now sells for over $5,000. Inflation is increasing the farmer's cost of production.

Yesterday the hon. member for Crowfoot (Mr. Horner) hit on the real reason for increasing cash advances. Last year the government introduced a new food grains policy. Under this new policy a farmer can sell his wheat to the Canadian Wheat Board or directly to the elevator companies. However, because of the low initial price of grain, farmers are almost forced to sell on the open market. The minister will have to admit that because of this policy, cash pressure on the farmer has been very great. This is the real reason we are seeing an increase in cash advances.

I want to stress to urban members that cash advances are not a hand-out to farmers. They are advances made on

future grain deliveries. The farmer must repay every cent. I have found that many urban members and others from eastern Canada think that the final payment to the farmer is a subsidy or hand-out. That is not true. When the Wheat Board sells the farmer's grain, part of the money is held back. At the end of the crop year the final figure is arrived at and the farmer receives the final payment: it is money owing the farmer on completion of the sale.

Yesterday the minister responsible for the Canadian Wheat Board (Mr. Lang) announced an increase in the initial prices of grain. He stated that wheat is being increased to $3.75, barley to $2.25 and oats to $1.20. It is hard for members on this side to understand why the minister took so long to raise the initial prices of grain. Farmers have been demanding this increase since the end of the last crop year. If the initial price for grain was not so low, there would not be so much need for cash advances. The government has continually played around with initial prices: we have seen them increased during an election campaign and reduced after the election. The formula for initial prices should be at least 75 per cent of the expected prices. In this way the farmer would have some idea of the direction in which he is heading. This has certainly not been the case with this government.

One wonders why the minister chose to bring forward the cash advance legislation at this time. There are far more urgent matters affecting western agriculture. It makes one wonder about the priorities of this government. We have repeatedly asked what the policy of this government is on transportation as it affects the movement of grain. At this time we do not know the government's policy on railway branch lines. We know a freeze was put on the closure of all branch lines until the end of this year. The farmer and the grain companies do not know what is going to happen in less than a month and a half. This lack of policy is costing the grain companies, the pool, the grain growers and the farmers great amounts of money. I can give many examples where indecision by this government has been very costly.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Penner): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vancouver South (Mr. Fraser)—External Affairs—Possible Canadian participation in debate at United Nations on the Middle East—Canadian position on rights of Israel; the hon. member for Winnipeg North (Mr. Orlikow)—Air Canada—Proposed construction of base at Winnipeg—Date of completion; the hon. member for Grenville-Carleton (Mr. Baker)—National capital—Establishment of committee to study Fullerton report—Suggested consultation on terms of reference.

[Mr. Stewart (Marquette).]

● (1700)

It being five o'clock p.m. the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, private bills, notices of motions.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

UNEMPLOYMENT INSURANCE ACT, 1971

CREATION OF JOB INVENTORY FOR UNEMPLOYMENT INSURANCE COMMISSION

Mr. F. Oberle (Prince George-Peace River) moved that Bill C-212, to amend the Unemployment Insurance Act, 1971, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, I cannot help being somewhat disappointed that the Minister of Manpower and Immigration (Mr. Andras) is not here this evening. I know of his interest in this matter and of his concern with the problem that this bill is trying to correct. However, I am sure his representative is here. I should like to appeal, not only to members on the government side of the House but to members of the other opposition parties to allow this bill to go to committee since it is designed to correct a very serious discrepancy in the Unemployment Insurance Act.

I have just returned from a visit to some of the more remote areas of my constituency in northeastern British Columbia where it has always been difficult to enjoy many of the services of both the federal and the provincial governments. I suppose it is natural that a member of parliament is looked at, in areas as remote as the Alaska Highway, as a liaison officer or ombudsman, and one should not be surprised if a member from an area such as this is always confronted with problems which he is very seldom able to explain or to solve himself. When one thinks of government from as far away as northeastern British Columbia, it becomes an almost impossible task to reconcile the activities of government with the actual needs of the area. One finds in almost all cases that the activities of the various government agencies work at cross-purposes. The Unemployment Insurance Commission and the services offered by Canada Manpower are a perfect example of this, and my bill addresses itself to this problem.

Even if we ignore the fact that the services of these agencies are available only on a very limited scale to people in remote areas, limited service is totally useless to Canadians in areas such as I have described. First of all, even though my bill does not provide for the reamalgamation of Canada Manpower and the Unemployment Insurance Commission, I should like to say that the separation of these two agencies, if they can be considered separate at all, had an even more disastrous effect in the remote areas of our country than in others.

During my travels I am constantly confronted with a paradox which demonstrates the chronic and acute shortage of people in almost all categories of the labour market, not to speak, of course, of the total absence of professional people which is a different problem altogether. I refer to the paradox between the lack of people and the rate of unemployment in these areas, which is usually higher than the national average. I could, of course, use many examples but one which demonstrates better than anything else the serious discrepancy that my bill is trying to correct is the situation that exists in the lumber industry of British Columbia and, I am sure, in other areas of Canada as well.

The difficulties experienced by that industry have in recent days and weeks been the subject of attention by the House of Commons and people throughout the country. We have had proposals to set aside any other business of the House of Commons in order to discuss, under certain rules and orders, the problems of the forest industry, and in particular we have addressed ourselves to the serious question of unemployment that is connected with the difficulties facing the industry.

In British Columbia alone we know that at least 15,000 people have been laid off, even without considering the massive cutbacks and shutdowns in the service industry as a result of the slowdowns. The unemployment rate in northern British Columbia now appears to be approaching 10 per cent. British Columbia is considered to be a "have" province, but I am sure that the "haves" must all live in the lower mainland, in Vancouver, since in northern British Columbia there is, as I say, an unemployment rate of 10 per cent. In spite of this, it was necessary for a firm called Fort Nelson Forest Industries to limit their production to one shift since they were not able to employ 75 people. They did not limit production to one shift because of the depressed lumber market, for a change, or even because of shortage of boxcars or a breakdown in rail service; it was for no other reason than shortage of labour. The shortage is not confined to one category but is apparent in all—skilled, semi-skilled and unskilled labourers.

If you were to travel, Madam Speaker, along the Alaska Highway by automobile, as I often do, you might find the operators of a rest stop or roadside facility unable to provide you with service because of lack of help. If you do not know how to repair your own tire, I would advise you not to travel the Alaska Highway this winter because you might well become stranded somewhere between Fort Nelson and Watson Lake, unable to find someone who is able or prepared to assist you. Several business people have told me they find it impossible to continue their operations, and lack of facilities along this highway will make winter travel extremely hazardous, if not dangerous.

One must ask oneself what is wrong with the system. Certainly it would seem that the established guidelines for the two labour-management agencies, namely, Manpower and the Unemployment Insurance Commission, were designed to deal with these problems and I think that in theory they have. Canada Manpower has a wide range of services. A person can apply for a grant to explore a new area in which he might find an opportunity to work. He can get a travel grant to go to another part of the country in order to find employment. We can provide, through Canada Manpower, a person's moving expenses to a new location if it is found to be a suitable location for work. We can retrain an unemployed person to help him or her find new skills. We can maintain storefront offices in some areas of our country in order to help people seeking employment and employers to get together, and so on.

The Unemployment Insurance Commission has its own programs designed to help people find new employment and to upgrade their skills. But quite often—altogether too often—in remote areas where there are no offices the two agencies work at cross-purposes. Let me give the House an example. Yesterday I telephoned the regional office about a constituent who found himself chocked and buried by a mountain of red tape. When I explained to the regional officer the claimant's case and he gave me a ruling, I said to him, "Would you allow your mind for one moment to be exposed to reason and would you tell me if you think your ruling makes any sense at all, looking at it from the claimant's point of view?" His reply to me was, "Mr. Oberle, I would rather not comment on that". I hope he will not want to comment on it because no one in his right mind could make sense out of the Unemployment Insurance Act, which would better be called "Catch 22".

● (1710)

This is what happened. The man consulted the Manpower and Unemployment Insurance offices before he left his employment on September 5. He was allowed to leave to attend a school sponsored by Canada Manpower at which he wanted to upgrade himself. He was told he would have an additional three-week waiting period, which he was prepared to accept, so in total he would have to wait five weeks before drawing unemployment insurance. The Manpower course was cancelled after he had given his employer notice and lived up to that commitment. He then started looking for work, but in his field—exploration for petroleum and natural gas—the employment scope is limited. I suggest it will be more limited as a result of last night's budget, since most of the companies carrying out this activity have left the country. As a result of this man's honesty in stating on his weekly report card that he was not taking the training—not because he did not want to; and he quit his job to do so—he is not eligible for unemployment insurance and is now living off his neighbours.

Perhaps that little example illustrates some of the things my bill attempts to correct. Let me discuss in more specific terms the bill I have proposed. On November 22, 1973, in a statement to the Standing Committee on Manpower and Immigration the minister said:

> The heart of any employment service is the technique it uses to match job orders with available workers.
>
> In Canada, we have used, and used well, the traditional approach to job matching followed by other advanced industrial countries, seeking from employers their job vacancies and registering Canadian workers by occupation. The match is then made between the two by comparing occupational codes. Our level of employer patronage, referrals to jobs and placements compare very well with those of other countries. However, this approach has not kept pace with the growing complexity of the labour market, and the growing adaptability and mobility of Canadian workers.

The minister admitted we have a special problem because in that statement he said:

The current paradox in Canada of high unemployment and increasing labour shortages indicates that employers, as well as workers, may have special problems.

We have special problems and there is no way, in Canada today, that we can carry out the commitment the minister made in his statement to the committee. There is no way we can effectively match employees with job vacancies. My bill would correct that situation by making it compulsory for employers to list with Canada Manpower services and, preferably, with the Unemployment Insurance Commission, a total inventory of job capacities. My bill would establish, in a compulsory way, a job inventory throughout this country.

Mr. Caccia: More bureaucracy.

Mr. Oberle: My friend suggests that this would create more bureaucracy. The fact is that all the reporting that would have to be done to carry out and maintain such a job inventory is already being done by our existing bureaucracy.

Mr. Caccia: No, it is not.

Mr. Oberle: All we have to do is ask Manpower to make use of the many services and statistics already being provided by the bureaucracy to which my friend refers.

Mr. Caccia: It is not being done any more.

Mr. Oberle: If the hon. member would keep quiet for a minute he might learn something. I carried out a very interesting survey in the city of Prince George. Interestingly enough, this survey was carried out in the same city where we spend annually $334,674 to maintain the services of Canada Manpower, where we employ—my hon. friend speaks about bureaucracy—35 individuals to do what I can demonstrate is being done there. I made a study which pointed out some very interesting facts. Canada Manpower is only involved, in that area, in 7 per cent to 10 per cent of job placements. Only 15 per cent of employers in both industrial and service sectors normally consult Canada Manpower in respect of shortages of employees. A large percentage of job seekers told the people who carried out the survey for me that the only reason they consult Canada Manpower at all is to provide proof to the Unemployment Insurance Commission that they are actively seeking employment.

Mr. Caccia: Oh, come on!

Mr. Oberle: I told you if you would just be quiet you might learn something. The greater percentage of employers would welcome such a scheme as I have outlined and only a small number would object to it. Their argument is that most of the information is already in the hands of one or other department of government, Statistics Canada or Information Canada, and they would not object to an exchange of this information. The implementation of such a program would certainly eliminate all abuses presently experienced. We would know what the true unemployment picture is in Canada, and we would know into what areas of Canada special assistance programs should be directed.

In addition, we would no longer have to subject the unemployed to the harassment of proving they are actively seeking work. If we could provide them, with the first week's cheque, with a list of employment opportunities which would be categorized to suit individual needs, this would provide Canada Manpower with factual information as to the areas to which training programs should be directed. It would also give Manpower officials the information needed to justify the implementation of many other services which the office provides.

I have concerned myself particularly with the obvious argument one could expect from employers, namely, that this would be a further infringement by government on their affairs. This argument was discounted by the many comments I received from employers who stated they considered the unemployment situation a problem which must be faced by government, business and labour alike. Almost all businesses interviewed were ready to make their contributions to the cause.

I can go into—I do this at least twice a month, and often more than that—an air terminal or office of a travel agent and tell them I am travelling from Fort Nelson to Fort St. John, to Edmonton, to Vancouver, to Toronto and to Ottawa and the agent will invariably walk over to his little computer, punch a few buttons and give me certain information. He will tell me that my flight will leave at 16.40, Fort Nelson time, flight 48. He will tell me that I get into Fort St. John at a certain time, leave on the same flight at a certain time and that I will have to change to a different flight at Edmonton. He will tell me that again in Vancouver I will have to change flights, but that I will be on the same flight from Vancouver to Toronto to Ottawa, with a short stop-over of 20 minutes. The computer tells him that and it does not take three hours, a day, a week or a month: he gives me that information in two minutes.

● (1720)

I say the advancements in respect of computers and technology must be applied to some of the more serious problems in Canada today, of which unemployment certainly is one. An unemployed person should be able to walk into a Manpower office, where a person would go to a computer and tell him that his category was such and such. He should be able to say that this person could go from category 15 to category 15A, B, C, or D. If there is no opening in that particular category, he should be able to tell the unemployed person that there is an opening in Fort St. John, Fort Nelson, Watson Lake, Edmonton, or St. John's. That information could be available to the unemployed person in two minutes. But, of course, Canada Manpower does not have this information in the first instance, so how could it pass it on to the unemployed person who must prove to the Unemployment Insurance Commission, in order to have his basic right recognized, that he is looking for work?

Mr. Caccia: Madam Speaker, I wonder whether the hon. member would permit a question.

Mr. Oberle: Certainly, Madam Speaker. Obviously I am here to inform, and I will permit a question.

The Acting Speaker (Mrs. Morin): Because the hon. member's allotted time has expired, we would need the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Caccia: Would the hon. member inform this House whether he believes empty seats and unemployed people are the same?

Mr. Oberle: Madam Speaker, I would say there are many empty seats on the Liberal side. Would the hon. member be more specific? I have some information here as to what the minister thinks about this bill, if the hon. member like information in that respect. Frankly, I do not understand the question.

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Minister of Justice): Mr. Speaker, may I be allowed to take this opportunity to offer you my sincere sympathy in connection with the recent passing away of your mother. She was a respected citizen of my riding and please believe that we are most sincerely distressed by the ordeal that has be fallen you.

I would like to thank my hon. friend, the member of the Official Opposition, who has given us the opportunity to discuss the very important and up-to-date subject of unemployment insurance. It is obviously useless to insist upon the tragedy of those who, for one reason or another, do not have an opportunity to find work and for whom the consequences are extremely tragic not only for themselves but also for their families. It is equally useless to insist upon the fact that the unemployment insurance budget has reached astronomical heights and that any solution which might help diminish its alarming growth should be seriously considered.

Bill C-212 would compel every employer to give the Unemployment Insurance Commission a list of his total job capacity together with the kind of job held by each employee and the employer would also have to advise the commission of any vacancy or change in the number or type of jobs. It is easy to see that this bill is made up of two parts. First, we are asking each employer for an official list of his employees and second, no unemployed person would be obliged to further submit to the procedures involved in finding a new job.

In his bill, my hon. friend refers to the 1971 act which, as we all know, contained a considerable broadening of benefits for those who, for one reason of another, are faced with the impossibility of finding a job.

In my opinion, it goes without saying that the 1971 act is not perfect yet, but it is a clear indication that the government is always preoccupied by the unemployment situation, and it is very important, and I agree with the government on that, the unemployed enjoy adequate benefits so he and his family can go through that difficult period because it is then impossible for him to get a job and to contribute effectively to find solutions for his family and for his own community.

● (1730)

However, Madam Speaker, I believe my hon. friend's proposal has a great defect and I say so with all due respect. Indeed the suggested inventory constitutes a duplication of what already exists. We in Quebec are a bit used to that sort of arguments which may not impress my hon. friend, but we know people who never miss the opportunity of reminding us that we have two forms of government, that we often have two departments, which in a way constitutes duplication.

In order to apply that argument to the matter now before us, I must remind my hon. friend that the Department of Manpower and Immigration already has an inventory of available jobs to which unemployed people may refer easily enough if they are really interested in solving their problems. For if it is a moral necessity on the part of the government to help the unemployed, one must not believe that unemployed people should purely and merely be content to stay at home and wait for public servants or government legislation to bring a complete solution to their problem.

Both the government and the unemployed have responsibilities they must try to share. I know personally that in the Jonquière manpower office, in the constituency of Lapointe, such an inventory exists. Unemployed people can be provided with general information enabling them to make active and effective efforts to find a job. It is a new form of procedure. Those offices have been created tentatively, at least in my area, a few months ago only and, on the basis of consultations I had with the director of the manpower office, that solution seems acceptable, profitable and effective at the present time, provided of course unemployed people are really willing to participate and have an opportunity to do so.

I recognize that the solution advocated by my hon. friend is somewhat relevant, but I believe it would be preferable to find a mechanism that would ensure better cooperation between the Department of Manpower and Immigration and the Unemployment Insurance Commission rather than try to find formulas which may be excellent but burden the public budgets and in fact are not new solutions. There are often complaints about the lack of communication between the Department of Manpower and Immigrations and the Unemployment Insurance Commission.

I know the Minister of Manpower and Immigration (Mr. Andras) has looked at the problem, is seeking solutions and has even found some which, however, did not work as expected.

I believe what the manpower offices now have as inventories is the answer, but that does not exclude my hon. friend's proposal, if the unemployment problem is really not worked out sooner or later.

Second, my hon. friend suggests indeed that the unemployed be relieved from having to make any effort to find a job. With all due respect to my hon. friend. I do not agree with him on that. I think that when you are temporarily without a job, you must contact the authorities at the appropriate places to try to get one.

In my opinion, it is unfortunate that the unemployed feel that it is enough for them to register at the Canada Manpower Centre and wait very quietly at home, when they are not travelling or on holidays, till someone communicates with them to offer a suitable job.

If we do not want to erode the desire of the unemployed man or woman to make an effort to settle his or her problem, I think it is important to keep this obligation for

the individual to take some steps. I recognize that public servants do not always show the best judgment. Often, they require the unemployed to take absolutely useless steps and sometimes too many of them. With their overly strict interpretation of the law, they often deprive the unemployed of their right to unemployment benefits. Far be it from me to suggest that the unemployed be deprived of their right to unemployment benefits through excessively strict interpretation of the law, but I feel that the unemployed owes it to himself to take concrete steps, in a field in which he can work, to find a solution to his problem.

The bill submitted to us by my hon. friend gives us an excellent chance to realize that perhaps, on both sides of the House because neither party has the monopoly on this we have been traumatized, and rightly so, by the acute problems of unemployment. Beyond considerations of political nature, we are trying to find real solutions. I must congratulate my hon. friend for having introduced a bill that is totally honest, totally interesting, which I cannot support wholeheartedly but for which I feel we can certainly commend its author. It has given us an opportunity, though perhaps too brief, of reflecting again on the serious problem of unemployment. This is perhaps a new occasion to to work together towards finding solutions, for there is no worse problem than that of unemployment. Though we must sympathize with those who are without work, we must above all else work together, setting aside political considerations, and find adequate solutions to the trials besetting those people.

[*English*]

Mr. Peter Stollery (Spadina): Mr. Speaker, I must say that there is a certain sense in Bill C-212, proposed by the hon. member for Prince George-Peace River (Mr. Oberle). As the hon. member for Lapointe (Mr. Marceau) pointed out, he would like to match the job vacancies with the unemployed, a problem which has defeated many people for a long time. There is no question, of course, that that is the ultimate that one would look for if one had a perfect scheme, and if in fact people were airplane seats.

Unfortunately, as my friend does not seem to understand, people cannot be equated with empty seats on airplanes because there are a great many more people than airplane seats, even in the region of Prince George-Peace River. I do not think for a moment that my hon. friend, when he reads what this bill would propose and takes the time to think his thought through, would want to establish a gigantic bureaucracy, another bureaucracy, when he is already complaining that there is too much bureaucracy in manpower and unemployment.

A few moments ago the hon. member commented on the reasons given for someone in his office being refused a claim in a complicated issue, where the man quit his job to undertake a retraining program, and something went wrong. The hon. member would only multiply that kind of thing one thousand times if his plan were implemented. I think we must consider the unemployed and we must also consider the problems of an employer who reports vacancies. Let us remember that an employer in a small business frequently does not even know how many people he may be using. He has not got a certain number of staff that he uses at all times.

● (1740)

At one time I operated a small business and often hired about 50 people from the National Employment Service, as it was at that time. Usually it was for the Christmas rush and I did not know too far in advance how many people I would need. I am sure that the seasonal nature of the employment is an important consideration in the hon. member's area as well.

The hon. member mentioned that his proposal would do away with the need for the unemployed person to conduct an active job search because that would be done for him by the Manpower Office. Surely this would be a step backwards, Mr. Speaker. Of late we seem to have come down a bit hard on people who register at the Manpower Office and, for some reason, are disentitled.

The hon. member's party claims that unemployment insurance benefits are a disincentive to people, and on the other hand he claims that we should not require people to make an active job search when collecting benefits. They cannot have it both ways, Mr. Speaker. I do not see how the hon. member can say that an unemployment insurance scheme should be arranged so that not many people will take advantage of it, and then present us with a bill that would make it easier to collect unemployment insurance without conducting an active job search. Surely that is not consistent with the philosophy of his party.

The hon. member must know that a claimant just does not register at a Manpower Office and immediately collect benefits. Hon. members from urban areas, or areas of high unemployment, I am sure receive many complaints that people register at a Manpower Office and are cut off after a five week period because they are not considered to be actively engaged in job hunting. I notice that one of my friends from Newfoundland, who I am sure has these problems, indicates his agreement.

The hon. member mentioned that Manpower provides 11 per cent of the jobs, but I was not clear whether he referred to his own district or whether that was presented as a national figure. Well, Mr. Speaker, I think that is not too bad. When you take into consideration the fact that most people find their own jobs, for a single employment agency to find 11 per cent is not bad at all.

I am sure the hon. parliamentary secretary has a few things to say, but before I sit down I would remind the hon. member that people and airplane seats are not the same things. That may come as a surprise to him, but it is a fact.

Mr. John Reynolds (Burnaby-Richmond-Delta): Madam Speaker, I had not intended to speak on this bill, but obviously members on the other side intend to talk it out and I think we should correct some of their statements before they do that.

I took the time to cross the floor and ask the hon. member for Davenport (Mr. Caccia) what his question meant when he compared people to seats. Apparently he was referring to a statement made by the hon. member for Prince George-Peace River (Mr. Oberle) about how computers work for airlines. Members from the other side have inferred that the hon. member for Prince George-Peace River was comparing people with airplane seats,

when what he was trying to do was point out the advantages of using computers.

We know the trouble the Manpower Offices got into when they became involved with computers, but an examination of how airlines use computers to fill seats might be useful to them. If an aircraft did not operate at maximum capacity the airlines would be here looking for subsidies, but the use of computers has enabled them to fill their planes and use their facilities to the maximum.

The hon. member for Prince George-Peace River used that illustration to make things as simple as he could for hon. members opposite who concern themselves with trying to talk out bills that sometimes have a lot of merit. I notice some of them are laughing. I had a private member's motion recently, Madam Speaker, and one of the members opposite, who yelled loudest, told me it was a good bill when he met me later and said he was sorry he had to talk it out. I think we should have discussions on a non-partisan basis sometimes to see if members who do not sit on the government benches have ideas that the government could use.

The hon. member for Spadina (Mr. Stollery) seemed to think that a Manpower Office that filled 11 per cent of the available jobs had a good record. I have had some experience with the Manpower Office in my riding, which has an aggressive manager and staff who make sure they find out what kind of people industries want. The area is growing very quickly and private agencies have not entered the market yet. But Manpower Offices in general do not seem to know what kind of people employers want. A private agency, on the other hand, keeps an inventory of jobs available and knows what kind of people are required. Some of them are using computers and doing well with them.

The hon. member stated that private employment agencies place the people on the top half of the scale, and Manpower gets the people on the bottom end of the scale. That is not quite correct, Madam Speaker. A company in Vancouver called Hospitality Services provides staff for restaurants—dishwashers, waitresses, cooks, etc. I think a dishwasher would be considered to be at the lower end of the scale. This company is doing well because Manpower was not filling that need.

This same company, although it is a private company, as the minister well knows, is willing to work in cooperation with the Manpower Office. Actually, it is willing to pay a fee if the Manpower Office will handle some names. The Manpower Office deals with people who are looking for jobs. The agency I am speaking of goes across the country trying to place employees in various restaurants, hospitals, work camps and so on.

An hon. member opposite mentioned computers and said that we cannot compare airplane seats with people. That is exactly what we are not doing. We are trying to solve a serious difficulty within Manpower Offices and place people in jobs. We want to help the employer who goes to the local Manpower Office for an employee. We suggest that there is a better way of bringing employers and prospective employees together.

● (1750)

Some hon. members on the government side say that the kind of program suggested will entail the creation of a massive bureaucracy. I suggest that that is not correct. Most will agree that in West Germany great expansion of the economy there has taken place with zero unemployment. The program which the hon. member opposite suggests will not work in this country has been in operation in West Germany and, as those who have visited that country will testify, you will not find a massive bureaucracy. It is a country dedicated to private enterprise and it is flourishing. Therefore this suggested program has been proved. It works. It is not one which members on my side have dreamed up, Mr. Speaker. As I say, it has been shown to be a good program.

It is important for us to create an effective inventory for jobs. All I am suggesting is that if an employer is looking for a particular type of employee, he should fill out a card. However, we must make sure that the card he fills out bears some relationship to the card which the prospective employee fills out. Computers are designed to deal with this kind of information. They only fail when the information fed into them is wrong. Surely the government, with all its resources, can see to it that cards are designed so that the card the employee fills out is compatible with the card the prospective employer fills out. I suggest that such a system would be better than the one under which we presently operate.

An hon. Member: Anything would be better than the present system.

Mr. Reynolds: My hon. friend says that anything would be better, and I must agree. In my area, and I cannot stress this too strongly because I have close working relations with the Unemployment Insurance Commission and the Manpower Office, government services are working relatively well. I represent a small community of 150,000 people and Unemployment Insurance and Manpower Offices, because of their small size, have become involved in the community to an extent I have never seen elsewhere.

When I was first elected, the major complaints of my constituents had to do with shortcomings of the Unemployment Insurance Commission and the Manpower Office. I received four or five complaints a day. At that time these programs were handled in Vancouver, in one massive office which was several storeys high, and contained several hundred employees. Now that these matters are handled in the municipality of Richmond, many of our difficulties have ended. Perhaps that sort of thing can be discussed if the bill goes to committee. I suggest that computers could do the job I am talking about now. I do not think my suggested program would require a large bureaucracy. Once the computer system is working, fewer and fewer people will be needed to work the system.

Some hon. members opposite are under the impression that the work load of counsellors in Manpower Offices is staggering. In certain areas the workload is staggering, but the workload of counsellors working in the private industry is not. I am thinking of a company in Vancouver known as Dunhill's. I know very well the two men who run it. One is the treasurer of the Liberal party in B.C. and

the other fellow happens to be a good Conservative and a good friend of mine. Both are businessmen, and both work in cooperation with the Manpower Office and the local Unemployment Insurance Commission. I think hon. members opposite should look closely at what these men are doing, as it will become evident that we can improve greatly on our present system.

The hon. member for Spadina said, "If anyone is really interested in improving the situation, it is easy to do so".

An hon. Member: Did he say that?

Mr. Reynolds: I wrote down his words. Perhaps I was mistaken, but I do not think so. I did not pick those words out of my earphone.

An hon. Member: Maybe he did not say that.

Mr. Reynolds: Perhaps he did not. People do not remember everything they say in private members' hour. Some of them read speeches which have been prepared by research departments. If the hon. member did make the statement, it will appear in *Hansard*. In any event, I suggest that the unemployed in Canada are usually interested in improving their situation. In the odd case the unemployed person may be content to stay on unemployment insurance, which has been all too easy to obtain. However, by and large, I suggest that most unemployed people want to improve their situation.

Sometimes a fellow may decide in December that he wants to improve his situation in March or April, and he takes three months off skiing. That was possible until fairly recently. The minister tightened the regulations because of complaints from my side of the House, as well as from his side. Actually, the former minister of the environment spoke out loudly before the last election about abuses under the unemployment insurance program. He wanted the government to end them.

I say to hon. gentlemen opposite that the time has come to change our system and allow private bills, proposed by backbenchers on both sides of the House, to proceed to committee. I know that some on the government side are given the task of talking these bills out. That must be changed. We should use private members' hour to consider private members' bills, so that after one hour we can send them to committee and discuss them in a non-partisan fashion. At present, as I say, some members opposite are given the task of talking these bills out, so that they are not sent to committee and the responsible minister is not asked to give up some of his valuable time.

An hon. Member: They are trained seals.

Mr. Reynolds: Some call them trained seals. Of course, if we, on this side, were to sit on the other side, as we shall one day, we might operate on the same basis. I think we should look at my suggested program in a non-partisan way. This program has worked in other countries, and I do not see why it cannot work in this country. I think we should follow the example which has been set by others, and for that reason I hope hon. members will allow this bill to go to committee and allow us to correct a difficult situation.

[Mr. Reynolds.]

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): Madam Speaker, the hon. member conceded that the system works quite well in his area. If the system works well in one area, clearly, it can work well anywhere. Therefore, the hon. member is making a judgment. He is passing judgment on the staffs of certain offices. He is suggesting that some staffs are not as good as others, and is therefore passing judgment on certain staffs. Clearly, he does not condemn the entire system. He said that he had a very good relationship with a certain aggressive, able manager and that the system works well. I would argue—

The Acting Speaker (Mrs. Morin): Order, please. I am sorry to interrupt the parliamentary secretary, but the hour appointed for private members' business having expired, I leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENT TO INCREASE MAXIMUM AMOUNT OF ADVANCE PAYMENT

The House resumed consideration of the motion of Mr. Lang that Bill C-10, to amend the Prairie Grain Advance Payments Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Craig Stewart (Marquette): Mr. Speaker, before five o'clock I was pointing out that I will be supporting Bill C-10, to increase cash advances from $6,000 to $15,000. I had pointed out that cash advance legislation was originally introduced by the government led by the right hon. member for Prince Albert (Mr. Diefenbaker). I had also mentioned how inflation has affected the farmers' costs of production, and that increased cash advances were necessary to meet the ever increasing costs which our farmers face.

I had not mentioned the fact that we still do not know the priorities of the government as far as the western grain situation is concerned. Parliament has been in session since September 30, but to date there has been no statement from the government on what its transportation policy is going to be as far as moving grain in western Canada is concerned.

Hon. members know that the present freeze on branch line abandonment in the west will terminate at the end of this year, less than a month and a half from now, yet we still have seen no action from the government. We do not know what its policies are going to be. This lack of action by the government has caused concern in many areas as

far as branch lines are concerned. It has added extra cost to the grain companies and the farmers.

I want to use, as an example, a branch line in my constituency. This is a CNR line that runs from Neepawa to McCreary, Manitoba. Several years ago, because CNR would not guarantee future service on this line, Manitoba Pool Elevators and United Grain Growers consolidated service on it. There were four points served on the line, Eden, Riding Mountain, Birnie and Kelwood. To improve service at that time, the United Grain Growers took over the elevator at Riding Mountain and had the farmers in that area deliver their grain to Kelwood. The situation was vice versa with the closure of the Birnie Manitoba Pool Elevator. They had their customers deliver their grain to the pool elevators at Eden. This happened two years ago.

At that time both the United Grain Growers and Manitoba Pool Elevators asked CNR about the future of the line because they wanted to keep up the facilities. They wanted to make sure the elevators could be kept in top condition. No matter how many times they asked CNR, they received no assurance.

This summer the main Manitoba Pool elevator at Eden more or less collapsed. This meant that the farmers from that area had to find a new delivery point to handle their crop for this fall, as well as their crop for next year. All this has come about because of a lack of government decision as to which direction it will head on branch lines. Manitoba Pool Elevators have now advised the farmers in the Eden area they will not rebuild their facilities there. Instead, they will build a large elevator at Neepawa. This means a haul of an additional 10 to 15 miles for farmers in that area.

● (2010)

Because of the location of these elevators, sometimes close to our national parks, the farmers have to negotiate a few steep grades, which present them with considerable difficulty with their present equipment. The Manitoba Pool Elevators have told their membership, and all farmers in the area, that they will be glad to build a new elevator at Eden, but because the government has not yet decided the future of these branch lines the CNR will not guarantee service. This lack of policy is going to cost both the pool elevators and the farmers in the area a lot of money.

I can give other examples where the lack of government policy on branch lines is causing extreme concern in western Canada, a matter mentioned many times before in the House. Instead of bringing in legislation like Bill C-10 I hope the government will soon announce its new transportation policy and disclose its priorities as far as western agriculture is concerned. The government should put its priorities in proper perspective.

In his earlier remarks the minister responsible for the Wheat Board stated that the government was not raising the cash advances because of inflation. I do not know what the reason is, but it does make me wonder. Perhaps the reason is the over-payment made to the western farmers in early June. Perhaps it is the two-price wheat payment that the government is now demanding back from the western farmers.

Perhaps by increasing cash advances the government feels the farmers will be able to afford to pay back the over-payment that was made at election time. Between May 27 and June 3 cheques were mailed out, by the minister's office, to 9,586 special permit holders in western Canada as two-price wheat payments. Later it was disclosed that 7,635 of these permit holders were overpaid varying amounts totalling in all $1,449,000.

At the time the minister stated that the computer had made a mistake, but it makes one wonder whether it was not another form of election bribe to the western farmers. As I say, perhaps the reason the minister is raising cash advances is to enable the farmers to repay the bribe that was made at that time. In closing, may I say I support Bill C-10. However, I feel there is much more important legislation that the government should be bringing forward to solve some of the problems in western Canada.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I listened to the minister in charge of the Wheat Board speaking yesterday on this bill, and I was interested to hear him speak so highly of it. This bill is amending an act which came into being as a result of legislation brought in by the right hon. member for Prince Albert (Mr. Diefenbaker) when he was Prime Minister some 17 years ago. Naturally the minister gave no recognition to this fact in his address. He delivered his speech in such a manner as to lead people to believe that this piece of legislation was entirely his own doing.

Of course this is not uncommon with government members. They very often adopt the policies and ideas of the opposition, and later on rather brazenly give the impression that they are their ideas. In particular I recall quite vividly that our policy of indexing income tax, which was brought forward in 1972, was ridiculed by the Minister of Finance (Mr. Turner), but subsequently adopted by him.

In his speech yesterday the minister had this to say about the income of farmers, as reported at page 1404 of *Hansard*:

> Hon. members will have recently noticed figures for the whole of Canada which show that farmers' cash receipts are up to more than 43 per cent in the first nine-month period of 1974.
>
> They will have noticed, too, that in the province by province analysis the greatest increases have taken place in the prairie provinces. Saskatchewan leads the way with cash receipts which have moved to $1.93 billion for the nine-month period, from $1.02 billion for the corresponding period a year earlier. That is an increase of approximately 90 per cent for Saskatchewan, over what I believe was itself a record.

Was the minister is charge of the Wheat Board attempting to give the rest of the country the impression that farmers in the west have never had it so good? The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) straightened the record out, however, when he spoke shortly after the minister and quoted statistics to the effect that in 1973 the average income of the farm family on the prairies, after expenses and interest, amounted to some $2,200. I believe the minister is out of touch—if he ever was in touch—with the farmers of Saskatchewan.

I wonder whether he realizes that up until two or three years ago farmers on the prairies were living on their equipment depreciation allowances. Year by year their machinery was getting older and they had no money to buy new machinery. They now have a few dollars in their

pockets but equipment prices are very high, having gone up four, five or six times in the last few years.

Mr. Lang: Do you believe the $2,200?

Mr. Neil: It is very close, I would say, Mr. Minister.

Mr. Lang: Out by about $10,000.

Mr. Neil: I would say that the increase in income that the farmer has realized in the last two or three years has largely been eaten up by his expenditures on replacing farm machinery. The price of fertilizer has gone up two or three times, the price of fuel has gone up, grocery bills and general living expenses have gone up. The farmer has been called upon to pay interest on loans at anywhere between 10 and 15 per cent.

While we must admit that cash receipts for the last year or two have been high, it is a case of considering what the farmer has in his pocket after he has paid his bills. The minister will find it is not just that much. Certainly there are some large farms doing quite well and those farmers have bank accounts and so on, but the average farmer has used most of the money that he has received in the last two or three years to update his equipment and pay off some of his debts.

I am inclined to agree with the hon. member for Crowfoot (Mr. Horner) who stated that, in his opinion, this bill became necessary because of the feed grain policy that was instituted last year. This is probably the only reason the bill is before the House.

● (2020)

I assume the minister and the officials of the Canadian Wheat Board are concerned about the possibility that when elevators are plugged, and quotas are closed, some No. 1 and 2 CW wheat will be sold on the open market as 3CW, unless farmers have a fair amount of cash available under the provisions of this bill.

The minister spoke yesterday about a logical and full-scale stabilization program for grains on the prairies. I wonder if this program started with Operation LIFT and will end with the abandonment of the Crowsnest Pass freight rates. I am afraid that might be the case, as the minister has been putting out feelers recently, testing public opinion on the suggestion that producers on the prairie will not suffer if the Crowsnest Pass freight rates are abolished.

It has been suggested that the subsidies being paid to the railway companies should be paid either directly to the farmers or to the municipalities for the construction of roads and public works following certain rail line abandonments. Perhaps the money will be put into the Wheat Board Pool account and divided up in that manner. I wonder whether some producers in Saskatchewan realize that if we take off the Crowsnest Pass freight rates this could mean an increase in transportation charges on wheat of from 50 cents to 75 cents per hundredweight. The whole transportation and grain handling systems must be examined thoroughly.

We have received no answer from the Minister of Transport (Mr. Marchand) to our questions about his intention in connection with rail line abandonments following the freeze which will end December 31 of this year. A decision must be taken fairly quickly, as the elevator companies must know what is going to happen in order that they can make necessary plans for the construction of elevators and storage facilities. I suggest that the railway companies and the producers must know what is to happen. The farmers must know if they will be able to deliver grain to the local elevator or how far they will have to travel to get their grain to market.

The farmers must also know what kind of trucks they will require to transport their grain, and the cost of moving the grain to market. If the Crowsnest Pass freight rates are abolished it might be cheaper to move the grain to the Lakehead by truck rather than by rail. This is what is happening in the United States at the present time.

Will the full-scale stabilization program suggested by the minister involve on-farm storage? It would seem to me that if we had a type of on-farm storage it might eliminate the need for a cash advance program such as we are discussing tonight. The farmer would benefit by being paid for the storage of his grain on his farm. This would enable him to build modern storage facilities, dual purpose or otherwise, thus assisting him to modernize his farm. This in itself would make quite a difference in the appearance of farms in western Canada. If one travels around the prairies at the present time he will see some pretty poor storage facilities, mainly because the farmers have not had the cash to build new grain storage bins.

Mr. Lang: I don't think you have travelled there.

Mr. Neil: The Canadian Wheat Board would also benefit from such a scheme involving on-farm storage, in that it could buy the grain from the farmer and would know exactly what quality and quantity of grain there was in storage, and would then be able to call for delivery of grain in an orderly manner.

Mr. Lang: Would the hon. member permit a question?

Mr. Neil: At the end of my statement I will entertain questions.

Mr. Lang: This is relevant to what you are now saying.

An hon. Member: It will still be relevant.

Mr. Lang: I am very interested in the analysis the hon. member is making about on-farm storage. Would he explain how the grain would be graded, what kind of arrangement would be made to assure that it was being kept in place, and how it would be called forward when it was needed?

Mr. Neil: There would be no problem in assuring that the grain was in storage if a scheme existed that enabled farmers to build proper facilities.

Mr. Lang: How would it be graded?

Mr. Neil: It would be graded by the elevator men taking samples of the grain in the bins. The grain could then be locked up and would belong to the Canadian Wheat Board. The system would be somewhat similar to that which is in existence in the State of Montana. Perhaps the minister is

suggesting that the farmers would be dishonest and would sell the grain in storage. I suggest to him that the fact that farmers have repaid over 99 per cent of their indebtedness under the cash advance program indicates the honesty of farmers. If the minister talked to some of the farmers in the west they would explain to him that a program of on-farm storage would work, and would be of value to them. I would urge the minister to look into this matter and give it very serious consideration.

In closing let me say that I support the legislation. I believe it is necessary, but I feel that at some future point it should be replaced by an on-farm grain storage program.

Mr. Speaker: The hon. member for Hamilton-Wentworth.

Mr. Sean O'Sullivan (Hamilton-Wentworth): Thank you, Mr. Speaker.

Mr. Sharp: Filibuster.

Mr. O'Sullivan: It may seem unusual for a member representing the great riding of Hamilton-Wentworth to want to participate in the debate on Bill C-10, to amend the Prairie Grain Advance Payments Act.

Mr. Sharp: You have run out of speakers, I guess.

Mr. O'Sullivan: The government House leader suggests we have run out of speakers. That is not so, but even if it were, it would put us in a better position than the government which has run out of ideas.

Mr. Lang: You finally have a good speaker with no knowledge.

Mr. Sharp: Go ahead, fill in the time. We can waste our time, too.

Mr. O'Sullivan: It is not because I come from the constituency of Hamilton-Wentworth, which contains some of the most arable land and the most dedicated farmers in Canada, that I rise to speak, because obviously this bill will have a particular interest, not for the farmers of southern Ontario, but for the Canadian grain farmers, chiefly those in western Canada. I rise to make the point that this bill affects not just those members who have the honour of representing grain producers, and not just those of us who represent other segments of the agricultural industry, but simply because this bill affects all hon. members. It is because of the implications of this bill for people from every walk of life and every part of the nation that I speak.

I make this brief interjection in the hope that the debate will not review the bill with the narrowest of views, thinking only of the direct implications, but will take the widest possible view, recognizing that Bill C-10, coming as it does in the particular circumstances of today, is significant for all Canadians and, very hopefully, is significant for all the people of the world.

● (2030)

I am particularly pleased to note that cash advance legislation for our grain producers was first introduced by the government of the right hon. member for Prince Albert (Mr. Diefenbaker). At that time the Liberal Party opposed such legislation. It is interesting and noteworthy that the government now has turned around and presented this bill, under the name of its minister from the province of Saskatchewan.

It was in connection with my work with the right hon. member for Prince Albert, before becoming a member of this House, that I first visited the province of Saskatchewan to campaign with him in his constituency. That was in 1968. I have been back to that province campaigning with him in the last election. I have also been back to that province, for other reasons, on many occasions. During my visits to that province I had occasion to spend some time in the beautiful city of Saskatoon, which is represented in part by the minister responsible for the Wheat Board, and also by my colleague who has a distinguished record as a barrister, the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn).

During these visits I have had the fortunate opportunity to speak to some of Canada's grain producers. I have come to appreciate, to some limited extent, the many difficulties they face. That over-all personal impression has been buttressed by the many conversations with my hardworking colleagues who represent them in parliament, and through listening to the speeches of hon. members in debates such as this.

As well, I have become aware that one does not necessarily have to be involved in the industry to be knowledgeable or concerned about the problems and the potential of those involved in grain production. This is evidenced, I suppose, if one wished to be particularly generous, by the fact that the minister responsible for the Canadian Wheat Board does not claim personal involvement in the industry. This has been evident to me from my personal conversations with his predecessor as a member of parliament from the city of Saskatoon, Dr. Lewis Brand who, although a member of the medical profession not involved in farming, demonstrated a knowledge of the problems facing the farmers in the constituency of Saskatoon-Humboldt that brought great credit to him and to those who supported him.

One of the most pressing problems expressed to me is the need for stability if people engaged in the grain production industry are to enjoy living in an atmosphere of security. I believe this is necessary. I am glad the government has finally recognized that the maximum amount that may be payable under the Prairie Grain Advance Payments Act must be increased to take into account the economic conditions facing Canadians earning their livelihood in this way, and facing Canadians generally who have felt the continuing effects of rising inflation over the last several years.

In agreeing with this provision of the bill I feel obliged, as well, to note the fact that we in this party also have some reservations in respect to it. However, these, I believe, have already been clearly voiced by other members of this party who are far more knowledgeable with respect to these aspects of the legislation than I could ever claim to be, Mr. Speaker. What I do say is that in commending the minister for the positive reform this bill provides, I hope he will also take the reservations and suggestions expressed by my colleagues in the true spirit

in which they are offered, and that he and the government will for once be willing to give careful consideration to the merits of the arguments presented by members on the other side of the House.

In the atmosphere of partisanship that is inherent in our parliamentary system and in this business of politics, given the party system in Canada, we face the daily and considerable temptation of allowing our party loyalty to blind us completely to the possibility of there being merit in the expressions of our political opponents. I think we must recognize we all have a common goal, to seek ultimately that which is right and best for our country. So, our approaches may vary, our words may be different and our techniques may change, but our objective, our goal, remains the same. I hope the minister will understand and take this into consideration as he ponders the proposals put forward by my colleagues. This is in keeping with what the late Dag Hammarskjöld wrote in *Markings:*

> Without the humility and warmth which you have to develop in your relations to the few, with whom you are personally involved, you will never be able to do anything for the many.

It is incumbent upon those of us who represent the many, the many in a country that is diverse and extensive, and who also represent the hopes and aspirations of the many throughout the world, to recognize that our personal relations with the few, and by that I mean other members of this House on all sides of the chamber, must be developed in a spirit of friendship that transcends all partisanship.

Earlier I spoke of the significance this bill has for all Canadians because of the particular conditions in which we are living. By this I refer to the present world food crisis, which must surely be of concern to every member of this House, and to every man and woman living in a land as bountiful as ours, who feel compassion and a sense of responsibility for our brothers and sisters of mankind. We have been reminded in recent days, from many sources, of the grave implications that the world food crisis has for millions of people. We are reminded of it every day through the media, and by particular events such as the recent World Food Conference in Rome, where my party was so well represented by the hon. member for Perth-Wilmot (Mr. Jarvis), whom I know to be a man of great compassion and bearing a sense of true international responsibility.

In the same spirit in which I have made that comment and those which preceded it, I should also take notice of the contribution made by the hon. member for Sherbrooke (Mr. Pelletier). Hon. members are also reminded of this situation by their constituents. We receive letters of representation from constituents writing as concerned Canadians. We were eloquently reminded of the problem during the special debate which took place in this House last Friday, which debate was initiated by the hon. member for Cape Breton-East Richmond (Mr. Hogan). I refer to the international food crisis.

● (2040)

The point I wish to emphasize in supporting this contention is that the bill has implications for all of us, rural and urban dwellers alike. In the continuing fight against inflation, which all Canadians have faced and are facing, the central concern has been the production and cost of food. This is a common concern of all hon. members, reflecting as it does a common concern of all Canadians who, in recent years, have been asked to set aside much larger percentages of their family budgets for the purchase of food.

This is a very serious situation and one of continuing and pressing importance to my colleagues and myself in this party. Indeed, we believe that any attack upon inflation, any general thrust to ease its impact, must first be directed against inflation that has affected particularly the cost of the necessities of life: food, shelter and clothing. I make this observation because nothing that I am about to say is in any way meant to lessen the importance of the need for this government, and all governments in Canada, to wage an effective fight against undue increases in the cost of living, particularly as they relate to food.

At the same time I think it is incumbent upon us, at this particular stage of world development, to reflect upon the great benefits that are ours simply by the good fortune of fate which has called us to be Canadians and to live in this land. Just as partisanship, which I mentioned earlier, must not blind members of this House to the merits found in the ideas of members of other parties, so it is that we, as Canadians, must never let our domestic problems, however great they may be, blind us to the more serious and pressing problems of peoples living in developing countries. It is essential that this government, this House and all Canadians recognize that whatever our problems are as they relate to food, these are small when compared with the daily struggle for life faced by so many throughout the world.

I view this as one of the most serious challenges facing the world today, placing a special responsibility on those of us who are privileged to live in a developed and prosperous nation, and particularly placing a responsibility upon men and women involved in the public life of such a nation. At the basis of any action to be taken by governments must be the understanding and support of citizens willing to show the kind of self-restraint that so many Canadians have unselfishly come to accept in recent days.

My colleagues and I are committed to use all the resources available to us to the end of bringing true peace, justice and hope to all the peoples in the world. This problem has also been recognized by spokesmen for the government, and as the Secretary of State for External Affairs (Mr. MacEachen)—whom I am glad to see in the House tonight—will know, I have recently passed along to him comments in support of Canada's position taken at the World Food Conference, and directed to the government by constituents in Hamilton-Wentworth. I was pleased to read a speech made by the minister at that conference, delivered on November 6 of this year, part of which reads:

> —mankind has no choice but to arrange his feeding in harmony with a balanced use of all the earth's resources, or his civilization will go the way of those of Nineveh and Babylon—which destroyed the soils that fed them. The World Population Conference at Bucharest marked the first, albeit halting, step towards using a full range of policies to control the pressures exerted on this planet's resources. Progress in this area must be accelerated.

The spirit reflected in the minister's remarks has been one that has caught the conscience of Canadians in all

walks of life. This is evidenced further by a resolution recently passed by the Hamilton Steelworkers Area Council representing a group of men who, I am sure even the minister will admit, work in a much different environment than does he. Yet they too recognize this concern and recently passed a motion which reads as follows:

> The United Steelworkers recognize the world-wide problems of hunger and starvation, and condemn any policies which result in uncalled for cuts in food production, or in storage policies which risk the spoilage of food.

This is a problem which transcends all political considerations and all economic differences that may separate Canadians. It unites us all, whatever our background, whatever our walk of life, whatever our aspirations for our own personal development, in a common concern to feel a commitment and to make a contribution to international relations.

This is why I further support, as a general rule, the provision by Canada of aid to assist the citizens of a country rather than the giving of assistance directly to a foreign government. In this way it is possible to disagree with the policies of another government, but not to let those policies stand in the way of assisting people who are in need, and who should not be made to suffer as a result of the shortcomings of their country's officials. A significant problem presented by such a policy, we must admit, is to ensure that this really benefits those citizens and is not misdirected by the government in question. It is in this spirit, with this intention, that any action on the part of the federal government, to provide aid for the people of any country in need, is deserving of our support.

So I welcome this bill chiefly because it should create conditions favourable to high productivity on the part of our grain producers. Productivity, high productivity, absolute and ultimate high productivity—that must be the byword and the objective of every farmer in every part of Canada in the coming years. Never again should we have a government policy, as this government had, to pay farmers for not producing food, the chief among the essentials of life. Rather, we must adopt the attitude enunciated so eloquently by the late President Kennedy when he said:

> I don't regard . . . agricultural surplus as a problem. I regard it as an opportunity . . . I think the farmers can bring more credit, more lasting goodwill, more chance for peace, than almost any group, if we recognize that food is strength, and food is peace, and food is freedom, and food is a helping hand to people around the world whose goodwill and friendship we want.

It is in this spirit that I welcome this legislation, and express the deep hope that the government will act in consequence of the deep concern which, I believe, is felt by all Canadians for the needy people of the world.

Mr. Jake Epp (Provencher): Mr. Speaker, I would like to take the opportunity of this debate to present a few of my views on the matter of grain handling and grain production. Before the minister closes the debate I would like to have an opportunity to mention a few of these matters.

Bill C-10 will increase cash advance payments from $6,000 to $15,000. According to the Order in Council that has been passed for quota acres for the purposes of cash advances at 10 bushels for wheat, 20 bushels for barley, and 20 bushels for oats, at a rate of payment of $1.50 for

wheat, 90 cents for barley, and 70 cents for oats, a farmer applying for a cash advance, if he is a wheat producer, must have approximately 1,000 acres to get a $15 per acre maximum advance. I should like to ask the minister if the formula could not be changed to take into consideration the producers in Manitoba, whose operations are likely to be smaller than producers further west?

● (2050)

Although I believe it was the minister's intention to present this bill as a housekeeping measure, I think it was also a recognition of the increased costs of production faced by all western farmers.

The constituency of Provencher is located in the so-called designated area of the Canadian Wheat Board, but despite this it is also a large importer. Production costs of beef, poultry—and I almost hesitate to mention eggs in view of the government's attitude toward that product—have increased in past years. I would suggest to the minister that he might consider a stabilization program for other agricultural products within the Wheat Board area.

In view of the food crisis facing the world today it behooves us, as one of the few countries with surplus capacity, to produce food so that the hungry people of the world can be fed. The impact of the crisis becomes more vivid when one realizes that many thousands of people in the world did not eat dinner neither today nor yesterday.

The government, however, embarked on a deliberate program of cutting back production, reacting to what it thought was a surplus situation. Operation LIFT was introduced in order to take the political heat off the government, and now we find ourselves not only in a "cash short" situation but in trouble with the beef industry as well. To a large extent the leadership of the government has brought us to this point. It will have to show much better leadership to get western Canadian farmers into a cash position so that they can produce at maximum capacity and help feed a hungry world.

I support the concept of an international food bank to which Canada would be a mojor contributor. But the burden must be shared by the industrial countries of the world, Mr. Speaker, including the newly rich countries of the Middle East which should make a cash contribution toward the creation of such a food bank.

The cyclical nature of agriculture means that it cannot be regularized, and the government should seriously consider giving financial aid to Canadian farmers in order to ensure steady production. It needs to be made clear to the consumers, however, that such assistance should not be classified as farm subsidies but rather as consumer subsidies. Such aid is only available to the farmer to give him a reasonable return on his input costs. This matter should be set straight for the record.

It is possible that Bill C-10 would not have been necessary in its present format if the initial payment had been higher. That has been changed recently, but we still have the three bushel quota which is forcing many farmers on the open market.

In closing, Mr. Speaker, I should like to impress upon the government that if agriculture is to remain viable it must be in a cash flow position. Production must be

increased so that we can help the hungry of the world, but it must not be done at the expense of the farmer.

The Acting Speaker (Mr. Penner): Order, please. Before recognizing the hon. minister responsible for the Canadian Wheat Board (Mr. Lang) I would remind hon. members that, if the minister speaks now, this will close the debate on this stage of the bill. Is it agreed?

Some hon. Members: Agreed.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I want to say a few things in response to the comments of hon. members. First of all, however, I must observe that we have had another of these fairly typical debates that take place when the subject is grain or wheat. This debate perhaps confirms the wisdom of the suggestion made by the government House leader that debates in this House should be televised.

Some 11 Conservatives have spoken in succession after the first round was completed and it was made clear that all members would support the bill presently before the House. The advantage of television would have been that every set in the country could have turned off ten Tories ago and that might have—

Mr. Lambert (Edmonton West): You haven't got any Liberals in western Canada at all. You can't restrict debate.

Mr. Lang: The important thing is that of those 11 speeches, two might have been worth discussion if they had been allowed to go forward because they had some relevance to the subject of the debate. I should like to make it clear that I do not refer to the remarks of the hon. member for Hamilton-Wentworth (Mr. O'Sullivan). I appreciate his entering the debate, recognizing as he did, that he does not represent an area which is greatly concerned about the subject, but that he wished to utter important words of poetry and get the subject off his soul.

● (2100)

I thought the hon. member for Lisgar (Mr. Murta) and the hon. member for Dauphin (Mr. Ritchie) spoke well on current issues and, in a sensible and rational way, put forward questions and propositions of relevance. This distinguishes them completely from other Conservatives who took part in this debate. If one thing is clear, it is that those other Conservatives who participated in the debate have not taken advantage of the services of their research bureau in preparing material to be presented in the debate.

We heard two sorts of presentation: we heard the sort of thing we have heard many times previously, that is, hackneyed repetitions of old charges, old comments and old analyses. There was nothing new in them. Yes, there was something new in this debate, and that was the completely fictitious and completely false positions put forward by some. It was absolutely astounding for members sitting on my side to listen to that kind of impossible contribution made by hon. members opposite on a bill which, as 11 members in succession said, they will support because, "after all, we invented this idea and therefore it is good."

[Mr. Epp.]

Members opposite began by observing that they could not understand how the Liberal government can support cash advances 17 years after Conservatives introduced the principle. They, being Conservatives, think that if you are against something in 1957, by George, you will be against it in 1974. Well, Mr. Speaker, some Liberals who were here in 1957 are not here now. Times and ideas change, and the Liberal party has changed. It adopts the best policies put forward by any side of the House, and does so unashamedly.

The hon. member for Crowfoot (Mr. Horner) made a number of remarks attempting to show, I think, that the Conservatives seem to be against demurrage payments being borne by the Canadian Wheat Board. Clearly, demurrage payments on wheat, are the responsibility of the board and are borne by the board. Demurrage charges on grains which are not the responsibilities of the Wheat Board, whether on rape or flaxseed, are borne by those involved with those particular grains. He was also concerned about the possibility of the cost of boxcars being borne by grain farmers. He ought to know that these boxcars were paid for by the treasury.

I also found interesting the hon. member's suggestion that the increase in cash advances represents some kind of effort to rescue our feed grains policy. He said that he agrees with the Leader of the Opposition (Mr. Stanfield) and with the agricultural critic of the Conservative party, the hon. member for Lisgar; he agrees that the open market for domestic feed grains is a good idea. But he was worried in case this bill would undermine that principle. He ignored the fact that when the feed grains policy was provisionally announced in 1973, part of the announcement said that cash advances would be raised in order to assure that farmers are given the choice of delivering to the Canadian Wheat Board or on the open market, as they see best. Cash advances were designed to take financial pressure off them. I mention this to show that there was support for our feed grains policy on the part of the Conservatives.

Then the next member who spoke, the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), indicated his tremendous contempt for the feed grains policy and anyone who supported it. Here, again, we saw Conservatives showing their need to speak. Indeed, I suppose they should speak on every issue, otherwise we shall not know how that party stands, as it has not adopted any party policy of any consistency on any subject. It is amazing that they do not seem to know that they take these opposite positions.

The hon. member for Regina-Lake Centre (Mr. Benjamin) was worried in case the feed grains policy will destroy the Wheat Board. I assure him that it will not.

Mr. Benjamin: Why do we need it?

Mr. Lang: We need it because the operation of the federal agency created a different price in one province than was possible in other provinces, and that was unacceptable in economic terms in Canada. We must have one economic price throughout Canada. This should be clear to the hon. member. The feed grains policy will not bring more grain on to the open market than is needed by the domestic market. The limit will be set by demand, and the

only relevant question is what price will be charged. Let me say clearly that I believe farmers, generally speaking, will obtain a better return if they deliver to the Wheat Board for the export market. Of course there will always be those who will be attracted by a price close enough to the Wheat Board price to deliver to the open market for domestic use.

Mr. Benjamin: But only Tories will take the lower price.

Mr. Lang: The hon. member says that only Tories will end up delivering the wrong way and getting the lower price. In that case, why is he worried? The fact is that the domestic price on the open market for feed grains will be close to the basic, long-range price as estimated by the Wheat Board. So, the hon. member for Regina-Lake Centre need not worry.

In addition to comments on feed grain policy, we witnessed the hon. member for Athabasca (Mr. Yewchuk) speaking against the grass incentives program. This is the first time I have heard a Conservative speak this way about that program. Usually they voice support for the program, but the hon. member spoke against it. The hon. member for Battle River (Mr. Malone) heard him and, not having been a member of this House for long did not realize the strangeness of his colleague's position and spoke against the grass incentives program as well.

I still say that we needed to switch additional acreage into forage, and I am confident in the long-term development of the beef industry of this country. That was the correct program to introduce, as Conservatives at one time knew, but as present Conservative members no longer seem to know. I suppose one can expect no less, considering that 11 speeches were made without the help of research facilities. As members opposite are confused in their positions, all things considered, it might be better if they were to allow this legislation to pass, as most have said that they support it.

The hon. member for Dauphin made useful suggestions, as did the hon. member for Lisgar, concerning the elevator agent as the collector of the cash advance and the administrator of the program. Let me say that I believe the cash advance system has worked so well because the elevator agent has assumed responsibility for an important role. When he is involved in cash advances he knows the farmer he is dealing with, knows how much grain the farmer possesses, and is able to deal with him in a kind, neighbourly and responsible way.

The question arises: is the elevator agent being paid adequately for the part he plays in administering the program? Of course this may involve the elevator agent, the Canadian Wheat Board, and others, but that is another question. We should appreciate the role which elevator agents in this country have played in making the system work as well as it has, Mr. Speaker.

Many speeches, as I indicated previously, just repeated old monstrosities and accusations raised in times gone by—

Mr. MacLean: Mr. Speaker, I rise on a point of order. I point out to the Minister of Justice (Mr. Lang) that there is such a thing as relevancy in debate. He should know that, considering his academic background; if he does not, his ignorance stems from the depth of his inexperience and ignorance about how this chamber operates. Presumably the government would like to see some progress. We have tried to make arrangements so that that can be done.

● (2110)

I would just ask the Minister of Justice to recognize the principle of relevance, and make a special effort to refrain from the innuendo that there is some restriction on members speaking in this House on a piece of legislation that is of special interest to them. It would be impossible for there to be 11 government members speak on this bill who would have any direct interest in it, because such members just are not here. They do not exist. I do not want to take up the time of the House any further. I appeal to the minister to try to help us expedite business.

Mr. Lang: Mr. Speaker, I certainly appreciate the advice of the hon. member for Malpeque (Mr. MacLean). Early in the debate the hon. member for Battleford-Kindersley (Mr. McIsaac) asked about relevance when a Conservative was speaking. I have no doubt that a great deal of it was irrelevant. I am now trying to deal with a good deal of what was said. I find it hard to understand how the Conservatives can say these things and then, when I deal with them, I touch sensitive nerves and they cry out "Order".

Some hon. Members: Hear, hear!

Mr. MacLean: Mr. Speaker, I wish to make myself perfectly clear. I have no objection whatsoever to the minister objecting as strongly as he wishes to anything said by any member on this side of the House. My objection stems from the fact the minister seems to think there is something improper in 11 members on this side of the House speaking in succession. I point out to him that the prairie area of Canada is heavily represented in this House by opposition members.

Some hon. Members: Hear, hear!

Mr. Lang: It is indeed, Mr. Speaker, although I am happy to say less so than before, and I hope less so in the future. It is not extraordinary when 11 Conservatives speak in a row. It is when 11 speak in a row and have nothing to say. That is extraordinary to everybody but a Conservative.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lang: I want to deal with some of the remarks of the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton). He is the man who manufactured a few facts for the purpose of the debate, which were then used by the hon. member for Moose Jaw (Mr. Neil) as though they were facts.

It is a most extraordinary thing. I referred to figures for cash receipts in Saskatchewan, comparing the first three quarters of 1974 with 1973. I gave the actual figures and the percentage increase. A few minutes later I was asked

why I had not given the actual figures, which I had done. Those figures showed an increase.

I did not do that to indicate that the measure we were about to put through the House was unnecessary. I thought it would be obvious to anyone that, when a bill stands in my name, it is proposed for passage by me. I indicated it was necessary, notwithstanding that the cash position of the farmers on the prairies is somewhat better than it has been for a long time. I would have thought any member who purports to have come from the prairies, and knows anything about the situation, would know that is a fact.

Those of us from the prairies need not run away from that, even though we may want to emphasize that, despite the fact that today we in the prairies may be getting more for our grain than we would really need to get if we had not a deficit from days gone by, the fact is we have that deficit and it has to me made up sometime. It is being made up very rapidly.

The hon. member for Qu'Appelle-Moose Mountain came out with a fantastic statement which is recorded at page 1410 of *Hansard*. He said that all the Saskatchewan farmer received for the full calendar year, for 1973, after expenses and interest, was approximately $2,200 per family. He said this is the type of living condition the minister calls "rolling in dough". Of course I did not call anything rolling in dough. I simply referred to the facts.

What are the facts with regard to income? I do not know where the hon. member for Qu'Appelle-Moose Mountain got his figures. I ask the hon. member for Moose Jaw not to accept the $2,200 figure simply because it was used by that hon. member. The hon. member for Qu'Appelle-Moose Mountain must not have been talking to farmers. If he had been, he would know they made a little more than $2,200 per average farmer in 1973.

Statistics Canada figures show that in Saskatchewan in 1973 the net income of farm operators from their farming operations was $993 million. If there were the same number of farmers then as in 1971, that works out to just about $13,000 per farmer for net farm income from farming operations in Saskatchewan.

Statistics Canada further forecast what 1974 is likely to be—it is simply a forecast, but the first three quarters' figures tend to bear it out. It indicates that the net farm income in Saskatchewan for 1974 may well turn out to be $1,801 million. If worked out with the number of farmers in operation in 1971, that comes to $23,404 net farm income per farming operator. That is contrasted to the $2,200 figure of the hon. member for Qu'Appelle-Moose Mountain. It shows what I mean when I say I do not think he has been near a farm in the last couple of years or he would know farmers are doing better than that.

I wish that in the course of a debate like this, improving one measure in a small way, it would not be necessary to have members from the prairies doing several things. It is not necessary to say 11 times over "Let's get on with other legislation which may be more important." Also, they need not once again go over their pessimism about the future of agriculture. If those people had the power, there would be reason to be pessimistic.

[Mr. Lang.]

We will continue to ensure that farming is a good way of life for more and more farmers in the prairie region and, I hope, throughout this country. That is what this government is about, and that is what our optimism is about. I wish members opposite would share this optimism.

Some hon. Members: Hear, hear!

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Agriculture.

* * *

CUSTOMS ACT

MEASURE TO EXTEND TERRITORIAL JURISDICTION OF CANADA

On the order: Government bills (Senate):

November 4—The Minister of National Revenue—Second reading and reference to the Standing Committee on Finance, Trade and Economic Affairs of Bill S-4, to amend the Customs Act.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I believe it is the desire of the House to make progress on a couple of bills on the order paper this evening. The first is the one that has just been called. I believe it is the desire of all hon. members, and this might be ascertained by asking if there is unanimous consent, that this bill be considered in committee of the whole rather than referred to the Standing Committee on Finance, Trade and Economic Affairs so that it can be disposed of this evening.

Mr. MacLean: Mr. Speaker, I believe there is a general understanding that that shall be done. We certainly have no objection.

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker, that is part of the agreement. The agreement also includes that we will give it third reading tonight as well.

The Acting Speaker (Mr. Penner): Is it agreed that the motion be for reference to committee of the whole?

Some hon. Members: Agreed.

Mr. Sharp (for the Minister of National Revenue) moved that Bill S-4, to amend the Customs Act, be read the second time and referred to committee of the whole.

● (2120)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I think we should put on record an explanation of why the House has moved to hold the bill in committee of the whole rather than send it out to a standing committee. If we look at the purpose of the bill, it is merely to extend

Canadian customs jurisdiction to the outer limits of the territorial sea of Canada.

It was some years ago that the territorial sea was defined after many, shall I say, abortive efforts and a great deal of promise. We did have a sort of halfway house in regard to our fishing limits. First of all we had a three mile limit, which was then extend to nine miles, a zone where foreign fishermen could come in but our fishermen could not go out. We now have a 12 mile zone and can send customs officers out to the 12 mile limit, and we are determining what shall be the territorial sea of Canada so these officers will be able to operate in what are essentially Canadian waters.

This is a tidying up bill. There is nothing very consequential about it. We are not going to make lengthy speeches or anything like that, so that the shirt tails of the Minister of Justice (Mr. Lang) get into a knot and he becomes overly excited. If there had been consultations, a good deal of the spleen that he vented this evening might have been turned toward some of the scheduling that went on, since Bill C-14 was supposed to be coming up for debate tonight. It so happens that the minister and members of the committee who should have been here to consider Bill C-14 were hauled off to a committee meeting to consider Bill C-9, and were thus removed from the House.

[*Translation*]

Mr. Clermont: Mr. Speaker, I rise on a question of privilege.

[*English*]

Mr. Lambert (Edmonton West): No, Mr. Speaker, I will not yield the floor.

[*Translation*]

Mr. Clermont: Mr. Speaker, although the hon. member for Edmonton West (Mr. Lambert) served for nine months as Speaker of the House and wishes to boss the House as a sergeant major, I rise on a point of privilege.

If Bill C-14 had been called yesterday or this afternoon, and if hon. members of the Official Opposition had not made systematic obstruction to the bill sponsored by the Minister of Justice (Mr. Lang), I should have been willing to debate Bill C-14. I know it as well as the hon. member for Edmonton West.

[*English*]

Mr. Lambert (Edmonton West): Mr. Speaker, I never knew that the hon. member's thin skin was a question of privilege. Certainly he knows that the minister was not here, and the hon. members who wanted to discuss the bill were not available. Therefore we have now arrived at this point. As a matter of fact, the hon. member was not here himself a little earlier so we could not have dealt with the bill in any event. He has just come into the House.

[*Translation*]

Mr. Clermont: Mr. Speaker, I rise on a point of order.

I was here at 8.15 p.m. and I knew very well, thanks to the information received, that hon. members of the Official Opposition would speak one after the other until at least nine o'clock.

[*English*]

Mr. Lambert (Edmonton West): Mr. Speaker, if I may I will return to dealing with customs jurisdiction in the territorial sea. I hope that housekeeping amendments of this nature will not necessarily be kept this long. There is a rather interesting subclause that I think could lead innocent parties astray. Now, apparently, the making of signals is becoming an offence. Perhaps hon. members of this House are going to have to watch their hands, and be very careful if they stand up at the wrong time. Perhaps they will be making signals which might be deemed an offence under the rules of the House. In any event, I am quite pleased that we are able to bring this legislation forward and can deal with it in detail in committee, and then take third reading.

Motion agreed to, bill read the second time and the House went into committee thereon, Mrs. Morin in the chair.

The Assistant Deputy Chairman: Order. House in committee of the whole on Bill S-4, an act to amend the Customs Act.

Clauses 1 and 2 agreed to.

On clause 3.

Mr. MacLean: Madam Chairman, I have one question to ask by way of clarification. I am wondering whether this bill will have any effect on the privilege ships have to use material and sell it on board ship in areas where normally they were customs free. I suppose Atlantic passenger ships would have to refrain from this custom until they were outside Canadian waters.

Mr. Sharp: Madam Chairman, may I make one brief comment about the bill, really in reference to what was said by the hon. member for Edmonton West. It was my pleasure while Secretary of State for External Affairs to see the territorial waters extended to 12 miles, and I join with the hon. member in congratulating the government for finally having caught up with the housekeeping.

In reply to the question I have just been asked, it is my understanding that legally ships would have to refrain from engaging in these activities until they had passed beyond the territorial waters of Canada.

Mr. Crouse: Madam Chairman, may I ask the House leader a question about this bill. It is my understanding that the delay in bringing the bill forward was somewhat necessitated by the phasing out operations of various countries which were fishing in zones which formerly were open to them. I am speaking of the phasing out of fishing operations which had to be concluded with the United Kingdom, Norway, Denmark and Portugal. I believe this work was carried out commencing in 1964, at which time the nine mile fishing zone was established contiguous to the three mile territorial sea.

Then in 1970 the territorial sea was extended to 12 miles, which leads us, as I understand it, to this legislation. Is this correct, and in the interval have any negotiations been carried on and an agreement reached with, for example, Spain? Have any negotiations been carried on with the United States and France, or do these countries still

have certain treaty rights that would exclude them from the terms of this legislation?

● (2130)

Mr. Sharp: Madam Chairman, I do not really think this bill can be related to the question just asked. The purpose of the bill is to give to Canadian customs jurisdiction in areas in which it did not have jurisdiction until 1964 when the territorial seas were extended to 12 miles. It has nothing to do with treaty rights or fishing zones. It is entirely related to the matter of enabling our customs inspectors to go out to 12 miles rather than three miles, which used to be the width of our territorial seas.

Clause 3 agreed to.

On Clause 4—*Smuggling liquors and narcotics.*

Mr. Lambert (Edmonton West): Madam Chairman, this particular clause is related to one of the most colourful passages in Canadian literature dealing with the smuggling of wines, spiritous and fermented malt liquors into Canadian waters. A great number of romantic stories have been written about activities off the Atlantic coast, and some members suggest off the Pacific coast as well. I have been informed by good authority that many of these stories contain a great deal of truth. In any event we are not changing the nature of the offence or anything like that, we are merely changing the clause so that it no longer refers to the three miles but rather to the 12 miles.

Mr. Forrestall: Madam Chairman, I hope I am not roaming too far afield when I ask the minister if he could shed a little bit of light on how the Department of National Revenue intends to enforce not only this bill, but other similar acts which have been amended? Perhaps he could indicate whether the government intends to aid the Department of National Defence in terms of dollars and cents to acquire a specific seagoing capability in order to assist in the enforcement of this legislation up to the 12-mile limit.

With this amendment, and other pending amendments to other legislation, we might in the foreseeable future, at least during the lead time to construct a fleet with a seaborne capability, require additional ships to meet the requirements of this and other contemplated acts. We may be placing ourselves in the position of having to police activities out to the 12-mile limit. Can the minister make a comment or two in that regard?

Are we going to provide one of the branches of government that has a military capability with the type of seagoing fleet necessary to meet the requirements of this and other measures, or are we going to continue along as we are with no capability of enforcement? Could the minister make a comment in that general area?

Mr. Richardson: Madam Chairman, I question whether this amendment to the Customs Act has any direct bearing on the operations of the Department of National Defence. I can say to the hon. member that when called upon by the Department of National Revenue we do go to its support. We have, at different times, been involved in the policing of infractions to the customs regulations, but this is not part of our established duty. That is only the case when we are called upon by another department to offer assistance.

Mr. Forrestall: Madam Chairman, we are talking about an area that involves our territorial seas, our territorial fishing zones, the Gulf of St. Lawrence and our inland waters which include our freshwater lakes and other major rivers. This involves a number of areas into which we would not want to send men in 14-foot motor boats.

What long range plans does the government have in respect of policing this measure in particular and, in a more general way, other acts? We have had an extension of the authority of the Canadian armed forces under various peace officers acts, and I regret that as I do not think our armed forces people should be involved in police work. Be that as it may, this involves an area described as inland waters. What specific plans does the government have to meet the lead time requirements in respect of that type of fleet?

We cannot send our DDH 280 ships out after small boats. It would be a little difficult to get our sophisticated war ships out after these other vessels that might be engaged in illicit smuggling. We are talking about a five-year lead time, and at this point we have no capacity to police our waters effectively. Does any department of government have any contingency plan, or anything on the drawing board, that would lead us to expect the adequate enforcement of these regulations?

Mr. Sharp: Madam Chairman, of course the Department of National Revenue will have to increase its capacity to police the territorial seas in order to make sure our customs regulations are observed. This is probably one of the reasons why the bill has taken a little time to come before the House. Preparations had to be made to discharge the responsibilities involved. I should point out that this bill has nothing to do with fisheries zones, but has only to do with an amendment to the act to substitute 12 miles for "three miles" wherever that appears.

● (2140)

The government does recognize the necessity for having to spend some money in policing this larger area of territorial sea and in making preparations for that purpose. As my colleague, the Minister of National Defence, has said, however, it is not the purpose of his department to prepare for that contingency. He has other responsibilities from time to time. The Department of National Defence may be called upon to help, but that is not the purpose of national defence policy.

Mr. Crouse: I think the point raised by my colleague has still not been answered by the President of the Privy Council. We have now been told it will not be the responsibility of the Minister of National Defence or his department to enforce this legislation. We have also been told by the President of the Privy Council that steps will be taken, but he has not been explicit, nor has he indicated what steps will be taken and exactly whose responsibility it will be to provide a suitable ship to go out in the North Atlantic, a distance of 12 miles, in order to examine a ship which may be contravening these regulations in respect of Canada's territorial sea.

I speak as one who comes from Nova Scotia and from a port where we are perhaps not too proud of some of our history, because at one time we in Nova Scotia were rather famous for our rum running activities. As one of my colleagues mentioned, we still are at election time. The ships that were engaged in this illicit trade took on cargo at St. Pierre Miquelon and then discharged it off the coast of the United States. There is still some of this illicit trade going on, and there are rumours from time to time that some illicit cargoes are still landed along the coasts of Atlantic Canada. This bill, as I read it, really is an attempt to deal with this situation. It states:

> The offence of smuggling wines, spirituous and fermented malt liquors and narcotics shall be deemed to be completely committed when any vessel, decked or undecked, containing any goods not reported pursuant to section 11, arrives in Canadian waters.

Canadian waters will be 12 miles off the coast of Canada. This distance off the coast of Newfoundland in the North Atlantic, or off the coast of Sydney, or even Halifax can be, from my own experience, very dangerous even today. I have been on board on my own ships in these areas during storm periods. One certainly requires an adequate ship which should be, in my estimation, no less than 100 feet if the captain and the crew of the ship containing the protection officers required are to be assured of a safe passage and a safe return. This is not something I feel we can pass over lightly and slough off, as the minister attempts to do this evening by saying it will be looked after, Madam Chairman.

We are simply asking what steps have been taken, prior to bringing in this legislation, to make sure that we will be able to enforce the laws we are preparing? I think this is a very important point, and I should like a more definitive answer from the minister before we pass this bill.

Mr. Sharp: Well, Madam Chairman, in the first place it is necessary to amend the legislation so that the customs officials can operate within the limit of 12 miles. In our previous legislation which became outdated, the offence was not committed until a ship came within three miles. So, we have to amend the law to bring it into conformity with the present situation. As I said, this bill is being brought in now, some years after the law was amended, because we must be prepared in order to be able to enforce this legislation within reasonable limitations. This does not mean that even if a ship comes within the 12-mile limit that it will be considered to be smuggling liquor and will be apprehended and searched. Not at all.

The purpose is to stop smuggling and to give it all our attention, but not necessarily so that we will stop every ship coming within our sight and say that the Customs Act is amended to cover an area within 12 miles of Canada, and we want to know whether it has cargo on board which is being smuggled. Surely the hon. member is not suggesting that. I assure the hon. member that we would not be bringing in this bill if we were not prepared to bring it into effect.

Mr. Benjamin: May I ask the minister if he would elaborate on just what are the preparations. Would the Customs and Excise people have the authority to commandeer a National Defence vessel in certain situations? What are the preparations? I think that is what hon. members want to know.

Clause 4 agreed to.

Clauses 5 and 6 agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Penner): When shall the bill be read a third time?

Some hon. Members: By leave, now.

Mr. Sharp (for Mr. Basford) moved that the bill be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

* * *

ARMY BENEVOLENT FUND ACT

AMENDMENT TO GIVE BOARD AUTHORITY TO MANAGE OTHER FUNDS

Hon. Mitchell Sharp (for the Minister of Veterans Affairs) moved that Bill C-17, to amend the Army Benevolent Fund Act, as reported from the Standing Committee on Veterans Affairs, be concurred in.

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

Some hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Penner): When shall the bill be read the third time?

Some hon. Members: By leave, now.

Mr. Sharp (for Mr. MacDonald (Cardigan) moved that the bill be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

* * *

ENVIRONMENTAL CONTAMINANTS ACT

MEASURE TO PROTECT HUMAN HEALTH AND ENVIRONMENT FROM CONTAMINANTS

Hon. Mitchell Sharp (for the Minister of the Environment) moved that Bill C-25, to protect human health and the environment from substances that contaminate the environment, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the bill being presented is largely the same as that introduced on March 4, 1974 by the Hon. Jack Davis. The changes in the present version have been made only to clarify the meaning of some sections, and the Minister of the Environment (Mrs. Sauvé) will be explaining these changes in greater detail when we examine the bill in committee.

● (2150)

The passage of this legislation will mark a pivotal point—

Mr. Fraser: I rise on a point of order, Mr. Speaker. I am wondering if, under the circumstances, it is appropriate for the parliamentary secretary to introduce this bill by saying that in most respects it is similar to the bill which was introduced last April, Bill C-3. The House is about to enter into a debate in principle on this bill, in spite of the fact that certain matters were raised in the debate in April, 1974, which clearly called for a second look at certain aspects of the bill.

My point is that under those circumstances I, and I think other hon. members in my party, believe it to be completely inappropriate for the parliamentary secretary to advise the House that the Minister of the Environment (Mrs. Sauvé) will not deign to open this debate but will only speak when the bill goes to committee, at a time when there is no absolute guarantee that that is where the bill will go until these matters are fully discussed.

Mr. Marchand (Kamloops-Cariboo): Mr. Speaker, I was just getting into the meat of the explanation which I was going to make in connection with the bill. The Minister of the Environment is attending meetings in Victoria, and at this point it is perhaps a little premature for the hon. member to be making these remarks. As I go on with my remarks the hon. member will see that there have been some changes in the bill. The purpose of my remarks is to make sure that hon. members have some idea of what the bill is all about at this stage of the discussion. If the House is willing, I have seven minutes left in which to speak on behalf of the minister. If it is the wish of the House, I am quite willing to forgo my remarks and have the bill referred to committee where we can study it in detail.

Mr. Fraser: May I ask the parliamentary secretary another question? Through you, Mr. Speaker, I would ask him if what he is saying to the House is what I suspect, namely, that the Minister of the Environment will not speak on this bill during second reading? That is an extraordinary situation. Is that the position he is taking?

Mr. Marchand (Kamloops-Cariboo): This is not extraordinary at all. Parliamentary secretaries, even more so since Mr. Speaker made his recent ruling—

Some hon. Members: Hear, hear!

Mr. Marchand (Kamloops-Cariboo): —have some functions to perform in the House. One of the functions that is clearly given to us is the right to introduce bills. I am introducing this bill on behalf of my minister. I cannot finish my remarks by ten o'clock and, by the rules of the House, I cannot wind up the debate. But surely, after the House proceeds with the bill, the minister may see fit at some stage to make some remarks. But at this stage of the proceedings I wish to proceed with the remarks I have.

Mr. Fraser: May I ask the parliamentary secretary another question?

Mr. Marchand (Kamloops-Cariboo): Madam Speaker, rather than accept another question, the only deal I am willing to make is to have the bill given second reading and reference to committee. Otherwise I would like to complete my remarks.

Some hon. Members: Hear, hear!

Mr. Marchand (Kamloops-Cariboo): The passage of this legislation will mark a pivotal point in the history of this country's response to the challenge of environmental degradation. It is the latest and one of the most important signals that we are passing now from the era of tactical responses to pressing problems, to an era of long range strategy or, to put it another way, we are moving from cure to prevention.

Necessarily our first priority has been damage repair—the rollback of pollution, emergency action to save endangered species, and so forth. These measures have moved forward with vigorous momentum. But we have also been phasing in measures to prevent the damage before it occurs. In the environmental field as in the health or industrial safety field, or in any other organized activity, prevention is always the more efficient and economic way to do things. We must deal first with the very core of the problem. On this, industry and the environmental experts can agree.

Before going into detail, let me say this: it is not being introduced as a replacement for existing laws, federal or provincial. We are talking about a law that will close loopholes, one that will give new effectiveness to other federal and provincial legislation. It will increase the effectiveness of such diverse legislation as the Fisheries Act of Canada, the Arctic Waters Pollution Act, and the proposed act to ratify the international convention on ocean dumping. One of the two key goals of Bill C-25 is to answer questions about chemical substances which are, or might become, contaminants of the environment. When passed, this law will give the federal government new power to gather precise, hard data about substances which may pose a threat to human health and the environment. Where the need presents itself, we want to be able to demand data about existing substances, and about substances that are still in the proposal stage.

Information about the way such substances are used and in what quantity, about their chemical, biological and toxicological properties, is all information on which we will want more data. We will know more about the persistence of these substances in the environment and about the rate and degree of dispersion in ecosystems. We will have a clearer picture of quantities in use. We will know more about concentrations in the food chain, and we will be in a better position to determine conditions of release and control measures.

We need this intelligence urgently. We need, for instance, to understand more about the impact on the environment of phenols and freons. We need to know more about the quantity of heavy metals being released into the environment, either deliberately or unknowingly. Polychlorinated biphenyls, the PCB's, are another worldwide question mark.

Mr. Benjamin: Explain.

Mr. Marchand (Kamloops-Cariboo): I can give you a lecture on organic chemistry if you like, but this is not the time now.

Although we have no specific law, we have been able to deal with a certain number of these problems through co-operative efforts with the industries involved.

With this new legislation on the books, we can do a much more comprehensive job. Legislation already on the books has been aimed at abatement of direct contamination of either air or water, and has operated by controlling effluents from sources such as factory sewers and smokestacks. However, we have need of legislation that will enable us to deal with the reality that each year hundreds of new chemicals are introduced to the market place, and many may eventually appear in the environment. Although most are probably fairly harmless in the quantities, concentrations and conditions under which they presently enter the environment, there are and will be exceptions. Some need to be looked at much more searchingly. What this act does is to enable us to measure the risk in its totality.

Bill C-25 will give us an excellent new sensory system. We hope it will be an efficient tool. It will require that companies, at their own expense, perform tests and come up with information on the substances to be listed. Following evaluation of the data, the ministers of the environment and health, after consulting with the provincial governments involved and with other federal departments, would make the appropriate recommendations regarding manufacture, distribution, use and disposal of deleterious chemical substances.

● (2200)

The bill will be the perfect instrument for filling all gaps. Without going into fine detail let me say that it is firm but flexible, adapted to the delicate job of preserving the environment.

There is built-in protection against the pursuit of phantoms—of panic button pressing. This characteristic is an essential feature of sound environmental thinking.

[*Translation*]

The Acting Speaker (Mrs. Morin): Order, please. In accordance with Standing Order 40, a motion to adjourn the House is deemed to have been made and seconded at this time. Therefore the question is: "That this House do now adjourn."

[*English*]

Mr. Baker (Grenville-Carleton): Madam Speaker, before we go into the adjournment debate, as I look over at the hon. parliamentary secretary it does not appear that he would need very much time to finish his remarks. If he would wish it I am sure we would be prepared to allow him to finish.

The Acting Speaker (Mrs. Morin): Is it agreed?

Some hon. Members: Agreed.

Mr. Marchand (Kamloops-Cariboo): Thank you, Madam Speaker. I shall not abuse the time of the House, and shall just take three or four minutes to complete my remarks.

In the proposed Environmental Contaminants Act there are provisions for consultation. It calls for mandatory establishment of a board of review to hear objections to measures taken. This does not mean that we must wait the findings of the board before we can act. Emergency controls can be imposed where it seems warranted.

This government, from the beginning of its mandate, has been committed to a balanced view or concept of a healthy environment. The government's policies have been based on an assumption that the physical and economic aspects of the good life cannot be compartmentalized. There is no point in substituting poverty for pollution, particularly when it is entirely within our capacity to attenuate both. An unpolluted, resource-abundant environment, as the setting for meeting human need, is being sought. The vigour and innovativeness of our scientific and industrial sectors are among our most vital resources.

The bill has evolved in close consultation between government and industry. We know the industry agrees with us that this legislation is an idea whose time has come. Many sectors of industry have participated in the design of the legislation itself.

It is our view that it is much better to prevent environmental damage than to go around cleaning it up after it has occurred. We must not see economic and environmental imperatives as being in conflict.

Filtering out or treating pollutants that should not have been in the works to begin with—that is inefficiency. Cleaning up pollution after it has poured into air and water—that is inefficiency too, and very expensive. Trying to revive a valued endangered species when it reaches the very edge of extinction may be a vital task. But how much less painful, and less costly it would be if the problem had been seen from further up the road.

Cleanup does not come as cheap as prevention. We know that the imposition of abatement measures can be economically painful, that it can disrupt established industrial practices. We know that remedies, applied in an unco-ordinated way, can actually complicate the problem. Actions taken to control water pollution may conceivably generate air pollution. Or water pollution controls may metamorphose into a problem of sludge disposal.

Other nations are moving in the same direction—from the cure phase to the preventive. Japan, Sweden and the United Kingdom now have similar legislation, and the United States Congress is in the conference stage with its Toxic Substances Act. With the passage of the Environmental Contaminants Act Canada will have some of the most advanced legislation of its type in the world.

I wish to thank hon. members for their consideration in allowing me to finish my remarks, Madam Speaker.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EXTERNAL AFFAIRS—POSSIBLE CANADIAN PARTICIPATION IN DEBATE AT UNITED NATIONS ON THE MIDDLE EAST—CANADIAN POSITION ON RIGHTS OF ISRAEL

Mr. John A. Fraser (Vancouver South): Madam Speaker, in the short time available to me during the adjournment debate I wish to raise a matter which is of very grave concern to many Canadians.

Since the Canadian abstention from the vote relating to the Palestine Liberation Organization, legitimate concern has been expressed in this country as to whether there has been any serious change or alteration in the Canadian policy, which has always been that Israel has the right to exist within secure and recognized boundaries.

To clarify this situation to some degree I asked the Secretary of State for External Affairs (Mr. MacEachen) on November 12, as recorded on page 1223 of *Hansard*, whether Canada intended to take part in the debate in the United Nations or the Middle East and, if so, what would the Canadian position be? The minister replied:

> I believe that if and when Canada participates in the debate this will give the Canadian spokesman an opportunity to restate Canada's position in respect of the existence of Israel, and its right to exist within secure and recognized boundaries, as the foundation stone of our Canadian policy.

That, of course, is the Canadian position and we welcome the minister's statement. Nevertheless, the stated aims of the PLO give rise to a particular concern. The articles of the covenant of the Palestine Liberation Organization say as follows:

> ... Palestine with its boundaries that existed at the time of the British mandate is an integral regional unit.
>
> ... The Palestinian Arab people possesses the legal right to its homeland, and when the liberation of its homeland is completed it will exercise self-determination solely according to its own will and choice.

As most people know, Madam Speaker, at the time of the British mandate Palestine comprised the complete state of Israel within its present boundaries.

On June 8, 1974, the PLO made a statement. May I read the translated version, which says in part:

> The PLO is fighting by every means, and primarily by the armed struggle, to free the Palestinian land and establish a national, independent and fighting government over every part of the soil of Palestine to be freed.

Clearly, the aim of the PLO is to create a new state of Palestine which will extinguish the present, existing state of Israel.

On November 14 I asked the Secretary of State for External Affairs if he had decided whether the Canadian delegation would take part in the debate at the United Nations. He answered, as recorded at page 1314 of *Hansard*:

> ... I think it is certain there will be a statement by a Canadian representative before the close of the debate. I am not sure when that statement will be made, but it will be made.

[Mr. Marchand (Kamloops-Cariboo).]

That, I think, could be taken as a commitment, in the context of the question and that answer, that Canada indeed would take part in the debate on the Middle East, and that a representative would be making a statement. I point out also that the Secretary of State for External Affairs also indicated that matters I had raised would probably be dealt with then.

When we come to November 18, we face an extraordinary situation. The Prime Minister (Mr. Trudeau), answering the hon. member for York-Simcoe (Mr. Stevens), said, as recorded on page 1400 of *Hansard*:

> ... no official position on whether we would speak has as yet been made ...

I rose on a question of privilege and pointed out to the Prime Minister that his statement was completely inconsistent with the statement made a few days earlier by the Secretary of State for External Affairs. The Prime Minister graced me with a reply and said, as recorded at page 1401 of *Hansard*:

> It appears that it had been the intention of the Secretary of State for External Affairs to have a statement made on behalf of the Canadian delegation, but it was not certain whether he would make it himself or have someone make it on his behalf. If the latter is to be the case, the minister proposes to make his statement in the House around the same time. These were the plans which were laid but they were not absolutely decided upon and it would depend on the nature of the statement itself. The intention was as the minister indicated, but I am not saying there will be no change.

I suggest that the government is involved in an extraordinary state of affairs at a time when the whole world is watching the Middle East.

● (2210)

My question tonight is simply this: Is Canada going to take part in that debate before the United Nations and make it clear to the whole world what Canada's policy has been, and is now, with respect to the continued right of the state of Israel to exist within secure and recognized boundaries which, as I have pointed out, is the antithesis of the aims of the PLO? That is the question I very much want answered tonight, and answered without any ambiguity.

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, I wish to confirm the answers given to the hon. member on November 12 by the Secretary of State for External Affairs (Mr. MacEachen). I have stated in this House on behalf of the minister, and the minister stated previously, Canada's policy with regard to the existence of Israel. That has not changed.

I wish to confirm to the hon. member that there will be Canadian participation in the United Nations debate at some point this week. The Canadian spokesman will restate Canada's position in respect of the existence of Israel and its right to exist within secure and recognized boundaries, as the foundation stone of Canadian policy.

AIR CANADA—PROPOSED CONSTRUCTION OF BASE AT WINNIPEG—DATE OF COMPLETION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question to the Prime Minister (Mr. Trudeau) on Novem-

ber 6 was based on a statement made by him during the election campaign in Winnipeg on May 23. The Prime Minister said that Air Canada would build a new maintenance hangar at Winnipeg, valued between $12 million and $15 million, to service its own aircraft as well as those of the Defence Department and some regional airlines. He said this would be begun immediately. It is almost six months since that time.

Questions repeatedly have been asked in this chamber of the Prime Minister and the Minister of Transport (Mr. Marchand) as to when the promised program would begin. To date, there has been no answer.

The question of an overhaul base at Winnipeg for Air Canada has concerned the people of Winnipeg and Manitoba for many years. Looking through the record, I find that my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles) in 1948, 26 years ago, asked the then Minister of Trade about rumours that Trans-Canada Airlines, as it was then called, was planning to move facilities of all types from Winnipeg, which was its headquarters, to Montreal. He was assured by the then Minister of Trade, the Right Hon. C. D. Howe, and the then president of the company that these things would not take place. Over the years, department after department was moved to Montreal.

It is not my intention to go over that whole story tonight. The point is that promises were made by the late Liberal Prime Minister, Mr. Pearson that the base would be continued. During the recent election campaign the Prime Minister stopped in Winnipeg on May 23, and made some very specific promises. He promised that a new maintenance hangar would be started in Winnipeg immediately. He stated that Winnipeg would get defence department overhaul work even before the overhaul base was completed. He said a decision had been made by the federal cabinet the previous week.

The Prime Minister further stated this would mean more than 300 additional jobs in Winnipeg aerospace industry, bringing employment in aircraft overhaul work to a minimum of 800 initially. On that occasion the Prime Minister was flanked by the Minister of National Defence (Mr. Richardson) and the Liberal member for St. Boniface (Mr. Guay).

He said that Air Canada would buy back the hangars sold to Canadian Aviation Electronics in September, 1969, when it closed its maintenance facilities and moved them to Montreal. He said further that Air Canada would immediately start to do major overhaul work on defence department Boeing 707 aircraft at the Winnipeg hangars, and would conduct a vigorous search for other overhaul work that could be performed there.

The Prime Minister emphasized that construction of the new facilities in Winnipeg would not take jobs away from Montreal, a fear that had been expressed in this parliament and in Montreal by various people. The Prime Minister siad; "We're making sure that both places will grow".

These are the promises that the Prime Minister made. I hope the Prime Minister meant what he said and that the overhaul base in Winnipeg will be re-established, will be expanded, and also there will be 800 jobs at Winnipeg. He also said that this would be done without jeopardizing the work now done in Montreal.

I am realistic enough to accept the fact that what has been done cannot be undone. But the fact is that the Montreal base, simply by virtue of the building on a new airport at Mirabel, will have to be expanded. There is no reason why there will not be more than enough work, from Air Canada and the defence department, to take care of all the people now working at Montreal and all those people whom the Prime Minister and Minister of National Defence promised would find work at Winnipeg. I remind the House that the promise was that the work would be begun immediately.

As I said a few moments ago, it is almost six months since the Prime Minister made that promise. Air Canada officials have said as recently as a week or ten days ago that they have no plans of this kind before 1979. Air Canada is a Crown corporation, and I am assuming it must be responsive to the wishes of the Prime Minister and his cabinet colleagues.

What I am asking tonight is that the government stop equivocating and trying to hide behind some kind of screen, for reasons I cannot understand. I ask the government to indicate tonight, not to me—what I think of the government is not very important—but to the people of Winnipeg when it will implement the pledges made by the Prime Minister when he visited Winnipeg during the height of the election campaign and made the statement he did on May 23, 1974.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): Madam Speaker, in answer to the points raised by the hon. member for Winnipeg North (Mr. Orlikow), the Prime Minister (Mr. Trudeau), in his speech of May 23 did make commitments in relation to the Air Canada Winnipeg aircraft overhaul base. I had no knowledge until the hon. member just spoke that this base has had such a long political history.

The Prime Minister did state that Air Canada would construct a new hangar capable of handling all types of aircraft in the Air Canada fleet. He also said that, in co-operation with the government and people of Manitoba, the Canadian government intended to help expand employment at Winnipeg. The Prime Minister stated as well that the hoped for growth of employment in Winnipeg, as the result of the construction of that hangar, would not take place at the expense of employment at the Dorval overhaul base. Employment could be expected to grow at both points.

We do not have the exact date when the base will be completed and operating, but it will certainly be moved forward substantially from the original plan of 1979 as far as Air Canada is concerned. I point out that recent newspaper reports suggesting that Air Canada intends to delay the new Winnipeg hangar until 1979 are inaccurate.

● (2220)

A vice-president (maintenance) of Air Canada wrote a letter dated November 5 to the editor of the Winnipeg *Free Press* correcting the inaccuracies of that paper's November 2 article. In that letter Air Canada stated that the date of 1976, referred to in the newspaper's headline, applied to

the establishment of a line maintenance hangar at Mirabel, and not at Winnipeg as the article seemed to indicate. The hangar will be needed at Mirabel, as the hon. member can appreciate, to handle the new aircraft there when the airport is opened. As for the Winnipeg line maintenance hangar, it has been planned by Air Canada for the future. The date has been moved back, but the date of construction is now being reviewed and will be announced very shortly.

NATIONAL CAPITAL—ESTABLISHMENT OF COMMITTEE TO STUDY FULLERTON REPORT—SUGGESTED CONSULTATION ON TERMS OF REFERENCE

Mr. Walter Baker (Grenville-Carleton): Madam Speaker, on November 5 I asked the Prime Minister (Mr. Trudeau) and the Minister of State for Urban Affairs (Mr. Danson) certain questions in respect of the structure of the national capital as proposed in the Fullerton report, and basically how the final decision would be taken. I asked whether that decision, following the consideration of a report by a special joint committee proposed for the study, would be based merely on a statement or statute by the government of Canada, which in effect could be an imposition of a particular form of government in an area, or whether on the other hand it would be based on agreements which I believe would have to be obtained from the governments of the provinces of Quebec and Ontario and possibly, because there might be a constitutional amendment involved in respect of the designation of the capital of Canada as the city of Ottawa, other provinces. At that time the minister said the decision would be taken by the committee.

I think the matter must go beyond that. Surely the government would not see fit to operate in this very important sphere without at least the consensus I have mentioned. The importance of the question, not just to residents of the national capital, but as well to the people of Canada, can be drawn from the fact that the proposals set forth in the Fullerton report cover the power to tax, to borrow, to plan land use, the question of the administration of justice in any proposed national capital, representation, as well as the whole matter of education, which is a provincial field involving at least two provinces, and the matter of language and its applicability in the institutions of the area and in the educational system.

The matter goes even further than that. If the committee is to deal with the question of the national capital, where it would have to get into the whole matter of decentralization of the institutions of government, the government being the largest single employer, is it to be the thrust of federal government planning in this area to concentrate in the downtown core of Ottawa and perhaps Hull, or is it to be part of the policy of the government of the day to decentralize the institutions of government, bearing in mind the municipalities on the Ontario side outside the city of Ottawa which are capable of receiving government buildings, plants, laboratories and other facilities? This would all have a bearing on the assessments and would assist those municipalities.

All these things are of great concern. It is because of that concern and because this report may influence the decision, and may be implemented at least in part, that we ought to have an assurance now, not just for the people of this area, but for the people of Canada, that there will be no imposition upon the people in the area of any form of government without their consent on the one hand and without the consent of the provinces involved on the other.

Since I asked my question the Minister of State for Urban Affairs answered a question posed by the hon. member for Joliette (Mr. La Salle).

As I read his answer to that question it seems that there would be no attempt to impose, that there would have to be a will to accept any form of government which might be recommended, and that will could be extended to include the will of the people in the area as well as the governments of the provinces concerned. I should like the assurance of the minister, or his parliamentary secretary, with regard to that point, which is the main point in the question I asked.

[*Translation*]

Mr. Pierre De Bané (Parliamentary Secretary to Minister of State for Urban Affairs): Madam Speaker, the hon. member referred to the Fullerton report. I welcome the opportunity to say that I read it to the end, as well as Volume II which includes various appendices and special studies.

I would say I have a great deal of respect for the study. Mr. Douglas Fullerton is highly reputed. His report shows much insight and a full knowledge of the area, where he has been living for a number of years and of which he is fully cognizant. He also has a very good knowledge of various studies undertaken on bilingualism in the area, especially that by Mr. Weld which in my opinion is extremely comprehensive and shows that the area should reflect our dream for this country. I would tell the hon. member that even a fast reading of the Fullerton report indicates the only point on which there appears to be a consensus is that no single agency can model or shape the future of the area, without active support from and agreement with the other agencies concerned. I might say that the main function of the parliamentary committee shortly to be created will be to deal with the development of the capital city over the last 18 years, that is since its predecessor committee last met. The new committee's terms of reference would be to advise the federal government on various aspects of the problem, to determine how best to serve the interests of all Canadians, as well as those of residents in the area itself. To that end, nothing of course will prevent the committee from making its views known to other levels of government. Clearly, such a committee's terms of reference must include much more than the evaluating of Mr. Fullerton's propositions, that deal only with structures for government. The committee must look at the area's future, in the light of the propositions by the National Capital Commission on planning and the views of both regional agencies dealing with urban affairs in an area covering 90 per cent of the Region, an area outside direct federal jurisdiction and NCC planning.

Motion agreed to and the House adjourned at 10:30 p.m.

HOUSE OF COMMONS

Wednesday, November 20, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

First and second reports of Standing Committee on Indian Affairs and Northern Development—Mr. Cyr.

[*English*]

NATIONAL RESOURCES AND PUBLIC WORKS

Second report of Standing Committee on National Resources and Public Works—Mr. Blais.

[*Editor's Note: For text of above reports see today's Votes and Proceedings.*]

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EXTERNAL AFFAIRS

TABLING OF NOTE TO UNITED STATES GOVERNMENT CONCERNING QUOTAS ON BEEF AND PORK

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, as Acting Secretary of State for External Affairs, I wish to table, in both official languages, the text of a note from the Government of Canada to the Government of the United States dated and delivered yesterday, November 19. The subject of the note is the proclamation by the President of the United States of November 16 imposing a temporary quantitative limitation on imports into the United States of certain cattle, beef, swine and pork from Canada.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill S-6, an act to amend the Canadian Wheat Board Act, to which the concurrence of this House is desired.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

ACADIAN FROLIC INCIDENT, 1974

Question No. 26—Mr. Cossitt:

1. What was the exact amount of money granted by the government in each of the past three years to the festival known as Acadian Frolic?

2. (a) Is the responsible Minister aware of an incident occurring on July 27, 1974 at Memramcook, New Brunswick in which the British flag was burned in front of the stage (b) is the responsible Minister aware of reports that a reader on the stage made remarks detrimental to Her Majesty the Queen as the flag was burned?

3. (a) Is the responsible Minister aware of a statement made by Social Services Minister Brenda Robertson, of the Province of New Brunswick, to the effect that she wanted an investigation of this incident (b) has the responsible Minister also requested an investigation of the incident and, if so, on what date did he request it, on what date will it be completed and what are the findings?

4. Is it the policy of the government to grant public funds to organizations that burn the British flag and make remarks detrimental to Her Majesty the Queen?

5. Is it the intention of the government to make any further grants to the festival known as Acadian Frolic?

Hon. James Hugh Faulkner (Secretary of State): 1. 1972, Nil; 1973, $10,000; 1974, $6,000.

2. (a) Yes. (b) No.

3. (a) Yes; (b) No. The investigation requested by the Minister of Social Services of New Brunswick revealed that the incident was in no way planned as part of the festival's activities, that it was the work of a small group of young people who had no connection with the organization of the festival and that it happened at a time when there was almost no one on the grounds, namely 4 o'clock in the morning.

4. No.

5. Future requests for grants will be studied in the light of the criteria of the government programs under which the requests are submitted; replies will be made accordingly.

INCIDENT AT MEMRAMCOOK, N.B. INVOLVING BURNING OF UNION JACK

Question No. 36—Mr. Schumacher:

1. Did the governemnt call for an investigation of an incident which occurred July 27, 1974 at Memramcook, New Brunswick, involving the burning of a Union Jack and (a) if so, what were the nature and results of any such investigation (b) if not, for what reason?

2. Was any individual or group of individuals (a) charged (b) tried (c) fined (d) incarcerated as a result of this incident and (i) if so, how many individuals and to what extent (ii) if not, for what reason?

3. Did the government make any contribution, financial or otherwise, to assist the promotion of the Acadian festival in progress at the time of this incident and, if so (a) in what amounts (b) of what nature was such assistance given?

Hon. James Hugh Faulkner (Secretary of State): 1. (a) No. (b) Because the investigation requested by the Minister of Social Services of New Brunswick revealed that the incident was in no way planned as part of the festival's activities, that it was the work of a small group of young people who had no connection with the organization of the festival and that it happened at a time when there was almost no one on the grounds, namely 4 o'clock in the morning.

2. (a), (b), (c), (d) No; (i) Not applicable; (ii) Because no official complaint was lodged with the courts.

3. Yes. (a) $6,000; (b) Financial assistance only.

CAN OPENER CONTAMINATION AS A RESULT OF USE FOR PET FOODS

Question No. 38—Mr. Macquarrie:

Has the Department of National Health and Welfare conducted any investigations into reports of serious effects on the health of humans resultant from using can openers which had also been used to open contaminated pet food being sold in Canada and, if so, what has been the result of such investigations?

Hon. Marc Lalonde (Minister of National Health and Welfare): A very thorough investigation was made by the Microbial Hazards Bureau, Food Directorate, Health Protection Branch of Health and Welfare. There was no evidence of food poisoning from can openers used for pet food. Additionally, manufacturers of pet food have indicated that canned pet food products are sufficiently heated to destroy any spores or organisms of Clostridium botulinum, the causative agent of botulism poisoning.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE PERSONNEL IN RECEIPT OF REMUNERATIONS IN EXCESS OF $20,000

Question No. 140—Mr. Herbert:

How many public servants in the Department of National Health and Welfare received T4 slips for 1973 showing gross remuneration in excess of (a) $20,000 (b) $30,000 (c) $40,000?

Hon. Marc Lalonde (Minister of National Health and Welfare):

Department	(a) Over $20,000	(b) Over $30,000	(c) Over $40,000
Department of National Health and Welfare	386	153	3

PAROLE STAFF POSITIONS, NEW BRUNSWICK, 1972-73

Question No. 171—Mr. Orlikow:

1. How many parole staff (positions) were there in New Brunswick for the year 1972-73?

2. How much did it cost to maintain each position on the average?

[Mr. Schumacher.]

3. How much was the total annual budget of the two National Parole Service Offices in New Brunswick (including staffing) for 1972-73?

4. How many cases did the parole staff have under their supervision in New Brunswick for 1972-73?

5. How many cases did the John Howard Society of New Brunswick have under its supervision in 1972-73?

6. What was the parole grant to the John Howard Society of New Brunswick for 1972-73?

Hon. Warren Allmand (Solicitor General): 1. Eight.

2. $12,593.00.

3. Budgeting for Parole Board offices is centralized and therefore figures on a provincial basis are not available.

4. 1319.

5. 622.

6. John Howard Society of New Brunswick, $17,295.

NOTES: 1. (a) Parts 4 and 5, System in the process of amendment and past records give figures on a calendar year basis. 1. (b) Parts 4 and 5, Figures shown represent man-months of supervision, not individual cases. 1. (c) Parts 4 and 5, Figures shown represent combined total for both New Brunswick and Prince Edward Island since the New Brunswick office handles both provinces. 2. Part 6, The National Parole Board does not make grants to after-care agencies. The amount shown was paid on a fee for services rendered basis.

COST OF PAROLE SUPERVISION AND COST OF MAINTAINING ONE INMATE

Question No. 175—Mr. Orlikow:

1. What was the average cost of maintaining one inmate during the year 1973 in (a) federal institutions of all types (b) maximum security institutions (c) medium security institutions (d) minimum security institutions (e) farm and work camps?

2. What was the average cost of parole supervision per parolee for the year 1973?

Hon. Warren Allmand (Solicitor General): 1. (a) $10,422; (b) $12,256; (c) $9,953; (d) $8,421; (e) $4,795.

2. $1,410.

NOTE: (Part 2)—The total cost of all parole services including costs of the Parole Board case preparation (including those not granted parole), case supervision, administration, travelling, capital costs and training, was $1,410 per case under supervision during 1973-74 fiscal year.

NATIONAL DEFENCE—MILITARY AND CIVILIAN STRENGTHS, CAMP GAGETOWN

Question No. 216—Mr. Howie:

What were the numbers in Camp Gagetown, New Brunswick of (a) Armed Forces personnel (b) civilian personnel on January 1 in each year, 1972, 1973, 1974 and on September 30, 1974?

Hon. James Richardson (Minister of National Defence): (a) The number of military personnel located at CFB Gagetown, for the years in question, was as follows: January 1, 1972, 3,349; January 1, 1973, 3,250; January 1, 1974, 3,115; September 30, 1974, 2,764; (b) The number of

civilian personnel employed at CFB Gagetown, for the years in question, was as follows: January 1, 1972, 739 (Includes Federal Labour Intensive Program); January 1, 1973, 815 (Includes Federal Labour Intensive Program); January 1, 1974, 870 (Includes Federal Labour Intensive Program); September 30, 1974, 794 (Includes Federal Labour Intensive Program.

CONSTRUCTION OF EXTENSION TO COMBAT ARMS TRAINING SCHOOL, CFB GAGETOWN

Question No. 218—Mr. Howie:

1. On what date is construction of the extension to the Combat Arms Training School facilities at CFB Gagetown, New Brunswick, planned for commencement?

2. On what date is the tender expected to be called and what is the estimated value of the project?

Hon. James Richardson (Minister of National Defence): 1. No date has been set for the commencement of construction on the extension to the Combat Arms Training School facilities at CFB Gagetown as the department is presently awaiting completion of a base development plan.

2. In view of the above, the date when tenders will be called and the value of the project cannot be stated at this time.

IMMIGRATION IDENTIFICATION CARD

Question No. 311—Mr. Brisco:

1. What form of identification is given to landed immigrants from the US who move back and forth through ports of entry at the Canada-US border?

2. Does the identification paper or card contain or have affixed to it a recent photograph of the landed immigrant?

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): 1. At the present time all landed immigrants, including those from the United States, are given a copy of their official record of landing (form IMM. 1000) as proof of their immigration status in Canada.

2. No. Studies now in progress are examining ways and means for developing a permanent, wallet sized, plasticized, tamperproof Immigrant Identification Card to which a photograph would be attached.

BASIC JOB READINESS TRAINING PROGRAM

Question No. 313—Mr. Herbert:

By province, how many persons have been enrolled on the basic Job Readiness Training Program and what is the average length of the courses taken?

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration):

Province	Places Purchased	Average Course Duration (Days)
Newfoundland	—	—
Prince Edward Island	30	93
Nova Scotia	20	85
New Brunswick	33	85
Quebec	140	67
Ontario	101	69
Manitoba	397	57
Saskatchewan	244	75
Alberta	103	65
Northwest Territories	—	—
British Columbia	277	51
Yukon	90	96

These figures apply to fiscal year 1973-74, the first full year in which this program operated. Figures for the current fiscal year are not available.

There are no figures for Newfoundland because that province opted for Basic Training for Skill Development, in order to address its crucial training needs.

NATIONAL DEFENCE—CLAIMS AGAINST DEFENCE CONSTRUCTION (1951) LIMITED

Question No. 333—Mr. Herbert:

Are there any recorded claims outstanding as of June 30, 1974 against Defence Construction (1951) Limited that have not been approved and, if so, what is the approximate total value of these claims?

Hon. James Richardson (Minister of National Defence): Yes. $92,000.

NATIONAL HARBOURS BOARD REPORT, 1973

Question No. 456—Mr. Forrestall:

1. On what date was the letter from the Chairman of the National Harbours Board to the Minister of Transport, shown on page one of the 1973 NHB Annual Report, sent to the Minister?

2. On what date was the Chairman's Message, shown on pages 4 and 5 of the Report, sent to the Minister of Transport?

3. On what date was the 1973 Annual report of the National Harbours Board returned to the Board from the printers?

4. On what date was the Report released to the public?

Hon. Jean Marchand (Minister of Transport): 1 and 2. The letter and message from the Chairman of the National Harbours Board to the Minister of Transport are integral parts of the report itself and therefore were not dated. A copy of the report was made available to the Minister of Transport towards the end of June 1974.

3. May 15, 1974.

4. July 3, 1974.

TRAIN ACCIDENTS

Question no. 462—Mr. Forrestall:

1. For each of the past five years, what has been (a) the number of train accidents involving Canadian track (b) the number of such accidents that involved fatal injuries (c) the number of fatalities?

2. What is the source of this information?

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission advises as follows: 1. (a) Number of train accidents involving Canadian track: 1969, 289; 1970, 374; 1971, 367; 1972, 439; 1973, 411; 1974, January to end October, 453; (b) the number of such accidents that involved fatal injuries is 42; (c) the number of fatalities is 59.

2. The source of the above information is the accidents reported by the railways to the Railway Transport Committee of the Canadian Transport Commission.

STRONTIUM 90 LEVELS

Question No. 471—Mr. Forrestall:

By region in Canada, what was the strontium 90 level at the end of September of 1974, 1973, 1972 and 1971?

Hon. Marc Lalonde (Minister of National Health and Welfare): Strontium 90 levels in milk are determined each quarter on a composite of samples taken during the quarter. Levels, expressed in picocuries per litre, are given below for the 3rd quarters of 1971, 1972 and 1973, and for the 2nd quarter of 1974.

	September 30 1971	September 30 1972	September 30 1973	June 30 1974
British Columbia	10.4	8.7	5.1	6.8
Prairie Provinces	7.9	6.0	4.2	4.6
Ontario	8.2	6.4	3.9	4.9
Quebec	9.4	7.8	5.8	5.4
Maritime Provinces	11.6	8.5	7.3	6.2
Newfoundland	31.2	28.1	21.2	9.0

MOTOR VESSEL "NORTHERN SHELL"

Question No. 474—Mr. Forrestall:

1. With respect to the rescue of the Motor Vessel *Shell*, trapped in ice in Hudson Bay in September, October and November of 1972 (a) of what registry was the *Shell* (b) was it certified for ice operations and, if not, for what reason (c) were any non-Canadian tugs involved in the rescue and, if so, for what reason (d) what assistance and by what ships, if any, was given by the government to this ship (e) what was the cost of this assistance (f) was any damage done to Canadian ships in this operation and, if so, what was the amount of such damage (g) what was the nationality of the crew of this vessel (h) what damage was incurred by the *Shell* (i) what was the cargo carried by the *Shell*, what was its destination and what was its point of origin?

2. What winds and other weather factors were present when decisions were taken to the effect that no emergency existed?

3. What was the amount of user charges laid against the shipper or ship owner by Canadian authorities?

4. What is government policy with respect to such user charges?

5. What is the policy of other governments, such as that of the USSR, with Arctic coasts in terms of user charges?

6. Who would have paid for damages resulting from any oil spills that such entrapment might have caused?

7. Under what type of permit did this vessel enter Canadian waters?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Transport and National Revenue as follows: 1. There is no ship by the name of Shell in our records, but we assume that the question refers to the *Northern Shell*; (a) British (At present the ship is registered at Hamilton, Bermuda); (b) No. At the time the vessel sustained damage there was no regulatory requirement in force calling for mandatory ice-strengthening; (c) Yes, they were engaged by Shell Oil Canadian Tankers (1964) Ltd. We are informed that Canadian tugs were not available at that time; (d) The *Northern Shell* was assisted by the CCGS *Norman McLeod Rogers, Labrador* and the *John A. Macdonald*; (e) $25,000; (f) No; (g) Officers were Canadian; crew was Spanish; (h) She had suffered damage to her rudder; (i) Heating fuel and gasoline for Deception Bay from Montreal.

2. The *Northern Shell* was alongside the wharf at Deception Bay and weather conditions were not so severe as to constitute an emergency or rescue situation. However, temperatures were below freezing and the ice cover was such that it was urgent to tow the vessel out to open water to prevent her being trapped in ice all winter.

3. $25,000.

4. The policy is to charge for services which are beyond the normal services rendered by icebreakers to ships in ice. In this instance, the services included towing a vessel which was not in any danger at the time and this task was undertaken only because the tugs present were either not capable or willing to tow a vessel of that size in the ice conditions that existed at that place and time.

5. The current policy of other governments on user charges is not known. However, it is understood that some governments including that of the USSR charge for icebreaker assistance to commercial vessels.

6. The owners of *Northern Shell*.

7. A permit was not required at that time. The M/V *Northern Shell*, being a British built, British registry vessel, was entitled to engage in the coasting trade of Canada. This voyage was properly reported outwards at customs from Montreal for Deception Bay, on August 7, 1972.

TELEVISION STUDIO PRODUCTION FACILITIES IN FREDERICTON, N.B.

Question No. 503—Mr. Howie:

What plans, if any, exist for the development of television studio production facilities in Fredericton, New Brunswick to enable that capital city of the Province of New Brunswick to better disseminate provincial and local news and share its cultural and educational facilities with viewers in other parts of the Province and Canada?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: The Canadian Broadcasting Corporation does not have, at present, any plans for further development of television studio production facilities in Fredericton, New Brunswick. In 1969 the CBC planned applications for an English language television system which would have involved, initially, a "mother" station to serve Saint-John—Fredericton, a rebroadcaster at Moncton, and eventual extension to the rest of New Brunswick, but the plan was turned down by the CRTC. An alternative for the CBC is to purchase one of the two privately-owned television operations in New Brunswick. There is no indication however that either of these operations is available for purchase.

CANDIDATES FOR POST OF SENIOR ASSISTANT DEPUTY MINISTER OF TRANSPORT

Question No. 514—Mr. Cossitt:

What are the names, the present and previous positions in the Public Service along with dates of same, of all persons who were considered

for the position of Senior Assistant Deputy Minister of Transport prior to the announcement of the appointment of Mr. James Davey and, in each case, for what reason was the individual found unacceptable?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: In order to protect the privacy of individuals and to ensure that there is no contravention of the Bill of Rights, the Public Service Commission in its regulations under the Public Service Employment Act, holds in confidence information concerning candidates for positions for which the Commission has appointment authority, except that a candidate's own standing and results will be discussed with the candidate. In keeping with this long standing practice, and having regard for the right of privacy of candidates and the possibility that the release of such information could prove not only embarrassing but prejudicial to them, the Commission regrets that it is unable to provide the names of other candidates who were actively considered for the post of Senior Assistant Deputy Minister of Transport.

PAYMENT TO W. SCHULTHEIS, PROFESSIONAL HORSE TRAINER

Question No. 536—Mr. Schellenberger:

Is the Minister of National Health and Welfare aware that $75,000 is being paid by the government to a German professional horse trainer, Mr. W. Schultheis, to train three Canadian horses for dressage competition during the next three years in his native country and, if so, is such a payment compatible with Canadian amateur sport policy?

Hon. Marc Lalonde (Minister of National Health and Welfare): While Mr. W. Schultheis is working with the Canadian dressage team, he is not being paid by the Canadian government.

REVISION OF CANADA ELECTIONS ACT

Question No. 540—Mr. Schellenberger:

Is consideration being given to revising the Canada Elections Act, Section 46(1) so that Canadian students who are studying in foreign countries might be allowed to vote by proxy?

Hon. Mitchell Sharp (President of the Privy Council): Representations of this nature are normally considered by the Standing Committee on Privileges and Elections. Both during the 1972 and 1974 elections, the Chief Electoral Officer has received correspondence from Canadian students who were studying at universities outside Canada in which they requested that they be given the privilege of voting by proxy and has informed correspondents that he would be pleased to lay their representations before that committee when it next sits, on the instructions of the House, to consider amendments to the Canada Elections Act if they would write him to that effect.

*CANADIAN PENITENTIARY SERVICE—DISMISSAL OF MR. GORDON SPENCE

Question No. 626—Mr. Fairweather:

1. Has Mr. Gordon Spence been dismissed by the Canadian Penitentiary Service and, if so, for what reason?

2. Was Mr. Spence the victim of a physical attack by inmates of Dorchester Penitentiary on February 25, 1974?

3. How long has Mr. Spence been an employee of the Penitentiary Service?

4. On what date was Mr. Spence's pay stopped?

5. Has the Penitentiary Service in its possession medical evidence that Mr. Spence cannot return to his present position because of the February 25 beating?

6. What plans has the Penitentiary Service in hand to ensure that Mr. Spence obtains other employment in the Penitentiary Service or the Public Service generally?

Hon. Warren Allmand (Solicitor General): The answer to the question is as follows: 1. Mr. Gordon Spence was released under section 31 of the Public Service Employment Act for incapacity by the Public Service Commission on recommendation of the director, Dorchester penitentiary.

2. Yes.

3. Mr. Spence commenced employment with the Canadian Penitentiary Service on October 12, 1965.

4. Mr. Spence's sick leave credits were exhausted as of May 11, 1974, and on that date, he ceased to receive salary from the Canadian Penitentiary Service.

5. The Canadian Penitentiary Service has in its possession medical evidence, signed by Mr. Spence's personal physician and dated May 13, 1974, to the effect that Mr. Spence is unable to continue to work directly with inmates or in any job where he has contact with them.

6. In view of the medical evidence mentioned in part 5, the Canadian Penitentiary Service could not provide other employment for Mr. Spence. However, Mr. Spence's case was referred to the regional director of the Public Service Commission in Halifax. At this time, a committee composed of representatives from the Public Service Commission, the Department of National Health and Welfare, and the Canada Manpower Centre, is considering two alternatives for Mr. Spence: first, a medical pension; second, employment elsewhere within the public service.

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS PERSONNEL SALARIES

Question No. 630—Mr. Reynolds:

With reference to the answer to Question No. 232, what were the total salary figures for the numbers of employees listed for those same years (with 1974 estimated)?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs):

Year	Total Salary Figures (Millions)
1967–68	$ 5,664
1968–69	10,739
1969–70	13,093
1970–71	15,511
1971–72	18,197
1972–73	21,433
1973–74	24,304
1974–75	30,902 (estimated)

Order Paper Questions

ESTABLISHED GENERAL CRITERIA FOR THE CONSTRUCTION OF TERMINAL FACILITIES—NATIONAL HARBOURS BOARD PORTS

Question No. 634—**Mr. Forrestall:**

1. What are the established general criteria for the construction of terminal facilities which apply at the ports under the jurisdiction of the National Harbours Board, for each general type of port development so entertained?

2. Is the National Harbours Board the final decision making level in port development such as the Jacques Cartier and Halterm facilities or does the government and the Minister of Transport still retain final responsibility for final decisions in matters such as these?

Hon. Jean Marchand (Minister of Transport): 1. The general criteria for the construction of terminal facilities at ports are technical feasibility, economic justification, financial viability and environmental acceptability.

2. The total capital budget for the National Harbours Board is approved by the Governor in Council on the recommendation of the Minister of Transport, the President of the Treasury Board and the Minister of Finance. The individual projects are then separately approved by the Treasury Board and by the Governor in Council, on the recommendation of the Minister of Transport, before funds are made available.

TELEVISION AND RADIO EDUCATIONAL PROGRAMS

Question No. 642—**Mr. Gauthier (Ottawa-Vanier):**

1. (a) Are negotiations in progress (b) are agreements anticipated concerning CBC television and radio productions, suitable for use in the field of education, but which, owing to copyrights, permits, retransmission rights and other reasons, are not available at present to provincial school councils?

2. Are studies being made on (a) the cost of buying back such rights (b) the possibility of free access to such productions by school councils (c) the means of distribution considered (d) the regulations dealing with such productions and, if so, will the Minister advise of the results?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. (a) No. (b) yes.

2. (a) Yes, although it will be a matter of acquiring rather than buying back such rights; (b) Various access arrangements for schools and other borrowers are being studied; (c) Yes; (d) Yes, if by regulations is meant conditions of use set out by CBC. I shall advise of the results of these studies when they are available.

DEPARTMENT OF EXTERNAL AFFAIRS—CONTRACTS AWARDED TO LAPOINTE TRANSPORT LTD.

Question No. 653—**Mr. Grafftey:**

1. What transport contracts have been awarded by the Department of External Affairs to Lapointe Transport Ltd., 105 Industriel Blvd., Longueuil, Quebec, since January 1, 1972?

2. What was the amount of the contract in each case?

3. Were public tenders called in each case and, if not, for what reason?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. None.

[Mr. Ouellet.]

2. Not applicable.

3. Not applicable.

*UNICEF PROGRAM

Question No. 681—**Mr. Fairweather:**

Has Canada been asked to contribute to the UNICEF program of aid to children and mothers in the Indochina Peninsula and, if so, what has been Canada's response to this special appeal?

[*Translation*]

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): Canada has received a request to contribute to this programme and the matter is still under consideration. However, CIDA has engaged UNICEF to implement on Canada's behalf a $500,000 bilateral health project in the Khmer Republic, one of the countries covered by UNICEF's special programme. The purpose of the bilateral project is similar to that of the UNICEF programme, in that it will provide medical supplies to a network of health clinics. In addition, Canada announced this month at the United Nations that, subject to Parliamentary approval, CIDA will contribute $3.5 million to UNICEF's general budget for fiscal year 1975-76. This is an increase of 40% over the 1974-75 contribution which, in turn, was 30% greater than the contribution made in 1973-74.

RCMP—MOTHER TONGUE OF SENIOR EXECUTIVE CATEGORY

Question No. 698—**Mr. Jelinek:**

1. What is the mother tongue of all officials in the senior executive category (equivalent to the SX category in the Public Service) in the Royal Canadian Mounted Police?

2. How many of the officials in the senior executive category make over $25,000 per year?

Hon. Warren Allmand (Solicitor General): 1. Of those 20 members of the R.C.M.P. equated to the SX categories of the Federal Public Service, there are: 14 whose mother tongue is English; 4 whose mother tongue is French; 1 whose mother tongue is Ukrainian; 1 whose mother tongue is Finnish.

2. All of the above.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

FRENCH SPEAKING IMMIGRANTS

Question No. 206—**Mr. Herbert:**

1. For each of the past five years for which statistics are available, from which four countries did the majority of French speaking immigrants come?

2. How many immigrants came from each such country?

3. In each case, how many indicated they wished to settle in the Province of Quebec?

Return tabled.

LIP—ALLOCATION OF PROJECTS

Question No. 230—**Mr. Orlikow:**

1. How many LIP projects were allocated to each federal constituency for the 1974-75 programs?

2. How much money was allocated to each federal constituency for the 1974-75 LIP programs?

Return tabled.

LIP—ALLOCATION OF FUNDS

Question No. 237—**Mr. Beatty:**

1. By constituency, what is the estimated rate of unemployment used in calculating LIP funds?

2. By constituency, how many dollars have been allocated under LIP?

Return tabled.

Mr. Reid: Mr. Speaker, before we proceed I should like to say that I inadvertently listed a question that was being answered today which, in fact, is not. I refer to question No. 67. I would like to withdraw it.

● (1410)

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 18 is acceptable to the government subject to the usual reservations concerning confidential documents and to the authorization of the government authorities concerned.

I ask that the other notices of motions be allowed to stand.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

COPIES OF CORRESPONDENCE CONCERNING DEVELOPMENT OF FISHING FACILITIES AT GROS MORNE NATIONAL PARK

Motion No. 18—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence, including letters, telegrams, minutes of meetings and agreements between the government and the Government of Newfoundland concerning the continuing support and present and future development of fishing facilities within the boundaries of the Gros Morne National Park.

Motion agreed to.

ORAL QUESTION PERIOD

[*English*]

TRADE

ALLEGATION CANADA WRECKED INTERNATIONAL SUGAR AGREEMENT—REASON FOR HIGH PRICE IN CANADA—GOVERNMENT POSITION ON NEW SUGAR AGREEMENT

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce. In light of reports in the *Financial Times* of London in October 1973 which stated that Canada and Japan, the largest importers of sugar under the now defunct sugar agreement, formed an alliance at the 1973 conference in an attempt to keep prices at the lowest possible level—prices which would bankrupt smaller, underdeveloped countries which are dependent on their sugar exports—and also the moves by the U.S.A. and the U.S.S.R. to dissociate themselves from the stand taken by Canada and Japan, can the minister tell this House whether he is prepared to reconsider his statement in the House yesterday concerning the extent of Canadian involvement in what now appears to be the wrecking of the 1973 sugar agreement?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): No, Mr. Speaker.

Mr. Murta: A supplementary, Mr. Speaker. Either the minister has been misinformed by his officials or he does not understand the gravity of the questions I am asking as he appears to be holding to his original position. May I now ask the minister, since Canada is one of the world's leading importers of sugar, if he can explain why sugar retails at the present time at some 49 cents per pound in Washington, approximately nine cents in Mexico and 69.8 cents in Ottawa?

Mr. Gillespie: Mr. Speaker, I have indicated that we have stayed in very close contact with the earlier negotiations and with the present situation. There are two working groups in which Canada will participate which have been established to consider stock policies and prices. As I indicated in my answer yesterday, I am not optimistic that there will be a new international sugar agreement at the present time because the producing countries have indicated it is not in their interests to go to the bargaining table.

Mr. Murta: A final supplementary, Mr. Speaker. In this context, I think if the minister were to look at some of the events of that time he would find that Canada was a party to the breaking of the world sugar agreement. Since it appears that a new sugar agreement is likely by the end of 1974, may I ask the minister what the government's position is in regard to such an agreement and what prices are being considered?

Mr. Gillespie: Mr. Speaker, we have not taken any position on what the price should be. Quite clearly negotiations between consuming nations and producing nations involve a price which will ensure a reasonable return to producers and a stability of supply to consumers.

Oral Questions

FINANCE

EFFECT OF OIL REVENUES PLACED IN CAPITAL ACCOUNT IN DETERMINING EQUALIZATION PAYMENTS—POSITION OF COMMITMENT TO SASKATCHEWAN

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Finance and arises from his budget statement that 30 per cent of provincial oil revenues will be taken into account when computing equalization payments. In view of the fact that on March 28, 1974 at page 934 of *Hansard* the Prime Minister said that all such additional oil revenues would not be taken into account in determining equalization payments providing those revenues were placed in a capital fund, I should like to ask the minister a direct question. If a province places all its additional oil revenues in a capital fund for resource development, will 30 per cent of that sum be used in determining the equalization formula for that particular province?

An hon. Member: Yes or no.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman who put the question knows full well that a yes or no answer is not sufficient for his purpose.

Mr. Nielsen: Tell Gillespie that.

Mr. Turner (Ottawa-Carleton): The understanding was that producing provinces in total would be putting about two-thirds of their additional revenues into capital funds—funds that would not thereby be eligible under the equalization formula—and that one-third of those funds in total would enter consolidated revenue funds and thus enter into the equalization. Under the proposal I am putting to the provincial ministers of finance on December 9 and 10, only one-third of additional revenues from oil and gas deriving from the international situation and recent price rises would be taken into the formula. Then, what any particular province does with its own fund would be irrelevant.

● (1420)

Mr. Broadbent: The answer is yes, then.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. As the Prime Minister on March 28 said specifically that Saskatchewan intended to put practically all its additional funds into a capital account which would not be subject to equalization, and as Saskatchewan has set up a fund and put all its additional money into that capital account, does the Minister of Finance, in the budget, now propose to abrogate the commitment which the Prime Minister made to this House and to the producing provinces?

Mr. Turner (Ottawa-Carleton): Sir, I think the commitment was set forth clearly in the budget speech. The provinces will want to examine the proposal. Undoubtedly, Saskatchewan will bring its own representations to the table on December 9 and 10.

[Mr. Gillespie.]

APPLICABILITY OF DEDUCTIBILITY PROVISION FOR OIL AND GAS REVENUES TO NON-RENEWABLE RESOURCES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the Minister of Finance a final supplementary question about the deductibility of royalties, taxes and like payments made to provincial governments. Will this deductibility provision apply only to revenues from oil, gas and minerals, or will it also apply to royalties from renewable resources? Will it apply to stumpage dues, for instance, and timber royalties?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will have to go into the ways and means motion, to see how it is drafted. In principle, we are talking about mineral resources and oil and gas revenues. If, of course, stumpage dues were to be converted from a flat, classical type of royalty payment into a disguised tax, we would need to look at that as well.

Mr. Horner: And the same would apply to asbestos.

[*Translation*]

SALE OF CANADIAN SHARES ON INTERNATIONAL MARKET—GOVERNMENT POSITION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I also have a question for the Minister of Finance.

Is he aware that a World Bank report published this week and titled Borrowing in International Capital Markets says that out of a total $1,451 million in foreign bonds sold on major international capital markets during the third quarter of this year, $336 million or 37 per cent were sold by Canadian groups and if yes, could he tell us whether he considers the situation as normal and favourable to Canada's economic development?

Hon. John N. Turner (Minister of Finance): The hon. member might allow me to read the report and answer later.

Mr. Caouette (Témiscamingue): Mr. Speaker, I have a supplementary question.

Could the minister say whether he intends to seek early approval for measures which will allow governments and industries in Canada to find here the financial means for a normal development?

Mr. Turner (Ottawa-Carleton): I think, Mr. Speaker, that we still have some means.

* * *

[*English*]

AGRICULTURE

DATE OF ANNOUNCEMENT OF SUGAR POLICY—POSSIBLE INCLUSION OF SUGAR BEET INDUSTRY

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, my question is directed to the Minister of Agriculture. In the past month there have been repeated references to a forthcoming sugar policy. Is the minister prepared to make an announcement now as to the date when the government will announce its sugar policy?

Hon. E. F. Whelan (Minister of Agriculture): No, Mr. Speaker.

Mr. Darling: A supplementary question, Mr. Speaker. Will the new sugar policy include the establishment of regulations for a Canadian sugar beet industry? What type of guarantee will the minister give to sugar beet farmers which will protect them from loss, should the commodity price of sugar on the world market drop?

Mr. Whelan: Mr. Speaker, there have been past programs of aid to the sugar beet producer. I am sure if such a policy were to be adopted by the government we would make sure that it would be adopted again.

* * *

INCOME TAX

DEDUCTIBILITY OF ONTARIO LAND SPECULATION TAX AS BUSINESS EXPENSE—GOVERNMENT POSITION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is to the Minister of Finance. After nine months of trying to evoke some sort of positive response from the minister, I wonder whether he is now in a position to indicate to the House and the people of Ontario whether payments made under the Ontario land speculation tax will be deductible as a business expense under the Income Tax Act and related statutes.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, my colleague, the Minister of National Revenue, has a legal opinion to the effect it is not deductible, and I will make clear to the minister of revenue of the province of Ontario and the provincial treasurer that, in policy terms, it is not deductible for the same reason that other provincial taxes are not deductible.

Mr. Lawrence: Mr. Speaker, is it in order for me to ask the Minister of Finance to very briefly explain why?

Mr. Speaker: Order, please.

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NATIONAL DEFENCE

SURVEILLANCE FLIGHTS OVER THE PACIFIC—USE OF NAVAL UNITS TO PROTECT FISHERIES RESOURCES

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is directed to the Minister of National Defence. In reply to a question yesterday, the minister said that flights to the north had been curtailed. Have the same restrictions been applied to the operations of Maritime Command Pacific? Also, when were the last Tracker training and Argus surveillance flights over the Pacific and when is the next one scheduled?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, as I said to the House yesterday, the flights over the Atlantic have been reduced. They have been reduced to the same degree in the Pacific area, but they are continuing on a regular basis. There are flights to the north from Comox in the Pacific area as well as from the Atlantic area. Flights will be continuing to the north, although not the same number.

Mr. Munro (Esquimalt-Saanich): Has the minister received any representations urging that Canadian naval units stationed on the west coast be assigned surveillance duties in the Pacific to preserve our fisheries resources there against encroachment from foreign fishing vessels?

Mr. Richardson: Mr. Speaker, I have had no recent representations because they are already doing a good job.

* * *

INQUIRY OF THE MINISTRY

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Prime Minister. In view of the fact the cabinet is reportedly meeting at the summer palace at Meach Lake to watch the Grey Cup game this weekend, and there is no doubt the Edmonton Eskimos will win—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Paproski: —is the Prime Minister assigning the kick-off duties to his wife and if not, why not?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should inform the hon. member that he is wrong as usual. The cabinet is meeting on Saturday and the game is on Sunday. Insofar as the kick-off is concerned, I will invite the hon. member to lie down and I'll invite my wife to give him a good kick.

Some hon. Members: Hear, hear!

* * *

GRAIN

WHEAT—REASON FOR DELAY IN SENDING CHEQUES TO ONTARIO PRODUCERS

Mr. John Wise (Elgin): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. Why have government cheques in the amount of some $10 million not yet been received by the Ontario Wheat Producers Marketing Board for its 15,000 wheat producers for the 1973 wheat crop?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I understand these were held up because of some technicalities; however, they are ready to go soon.

Mr. Wise: Because of the importance and urgency of this matter, I ask the minister to give a definite commitment to this House that he will immediately investigate this matter in an effort to get these long over-due cheques in the hands of Ontario wheat producers.

Mr. Whelan: Mr. Speaker, some of the documents I have been reading here are about this. Therefore, I have received a report.

Oral Questions

MULTICULTURALISM

REPORT RECOMMENDING FEDERAL SUPPORT FOR THIRD LANGUAGE TRAINING IN SCHOOL SYSTEMS—GOVERNMENT POSITION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I wish to address my question to the minister responsible for multiculturalism. As the minister has now had an opportunity to review the interim report of the Canadian Consultative Council on Multiculturalism, can he inform the House whether he supports the principle of federal government involvement and support for a third language education in the school systems and whether he intends to implement this recommendation?

● (1430)

Hon. John C. Munro (Minister of Labour): Mr. Speaker, the manner in which the question was asked leads me to reply that this is an area of provincial jurisdiction, as he is no doubt aware. If the hon. member is really asking whether we are prepared to encourage the acquisition of greater linguistic ability by all Canadians in speaking and understanding languages other than the two official languages, the answer is, yes. To this degree we already support that principle through the grant structure.

As to the recommendations of the report the hon. member mentioned, I would point out that to date there has been only one regional meeting and one executive meeting. The council itself will be meeting later to consider the report about the middle of December and I shall be happy to keep the hon. member informed about the progress made.

REPORT RECOMMENDING FEDERAL SUPPORT FOR THIRD LANGUAGE BROADCASTING—GOVERNMENT POSITION

Mr. Paul Yewchuk (Athabasca): The recommendations concerning federal government involvement in education are quite specific, but I shall not pursue the matter now; the hon. gentleman will have a chance to read the report himself. I should like to ask him a question with reference to one other recommendation which is considered to be very important by ethnic groups. What is the government's position with regard to third language broadcasting on the CBC radio and television network? Does the minister intend to support this particular recommendation and implement it in the near future?

Hon. John C. Munro (Minister of Labour): The hon. member may not fully appreciate the way this process is going. I must repeat that the entire council, to which the report is being made, has not yet met to consider the matter. The council will meet to consider it and make recommendations and give advice to me, based on that report, at some time in mid-December. After I have received those recommendations, depending on what the council's advice may be, representations to the CBC may be in order. But I cannot prejudge the matter at this time.

[Mr. Whelan.]

[*Translation*]

HOUSING

AVAILABILITY OF FIVE HUNDRED DOLLAR GRANT TO OWNER CONSTRUCTED RESIDENCES AND MOBILE HOMES

Mr. J.-Roland Comtois (Terrebonne): Mr. Speaker, I should like to put a question to the Minister of State for Urban Affairs.

Can he tell the House whether or not the $500 grant offered first-time purchasers of a new home between November 1, 1974 and November 1, 1975, also applies to those who are building their own homes?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Yes, Mr. Speaker. This applies to those who own their own homes and to those who were in the process of building their own homes before November 1, provided occupancy took place after that.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a supplementary to the Minister of State for Urban Affairs.

With regard to the $500 grant, will the owners of mobile homes also be able to benefit from that subsidy?

[*English*]

Mr. Danson: It applies to mobile homes if they are considered a principal residence and are of a permanent nature. It does not apply to recreational vehicles but if it is a principal residence of a home-owner and of a permanent nature, it would apply.

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EXTERNAL AFFAIRS

PROPOSED FIFTY MILLION DOLLAR LOAN TO SOUTH VIET NAM—CANADIAN POSITION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question was intended for the Secretary of State for External Affairs. Since he is not in the House I should like to put it to the Prime Minister. My colleague, the hon. member for New Westminster, asked the Secretary of State for External Affairs a question in the External Affairs Committee about a meeting held in Paris on October 17 of the World Bank and the Asian Development Bank which discussed a United States aid proposal for providing funds of the order of $50 million to the Saigon government in South Viet Nam. The Secretary of State for External Affairs said that Canada had made no commitment. Yet on the morning of October 19 *Le Monde* reported that Canada had in fact supported the American proposal. I now ask the Prime Minister whether Canada, either implicity or tacitly, supported the proposal or any variation of it.

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): I will take the question as notice and make sure the hon. member gets a response.

Mr. Brewin: Would the parliamentary secretary also take this question as notice: is the proposal still under discussion and what is Canada's attitude toward it?

Mr. Breau: Yes, Mr. Speaker.

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TRANSPORT

REQUEST FOR ASSURANCE UNITED STATES SUPERTANKERS USING COASTAL WATERS OF BRITISH COLUMBIA WILL HAVE DOUBLE BOTTOMS

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is for the Minister of Transport. Since the Department of Transport is responsible for cleaning up oil spills and since surveys indicate that oil spills could have been avoided in 73 per cent of the accidents and 92 per cent of the groundings if the tankers had double bottoms, is the Department of Transport, together with the Department of External Affairs, carrying on any negotiations with the United States government to ensure that the supertankers coming from Valdez will have double bottoms, thus providing greater safety for the coastal waters of British Columbia?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, with regard to the problem of pollution, we are working in close co-operation especially with the Department of the Environment. We have signed agreements with the Americans to fight oil pollution on our common boundary. As for the technique which consists in using double-bottomed vessels to better protect the environment, it has not yet been fully developed; we are following its progress very closely, but I believe that Canada is one of the most advanced countries in the world in that field.

[*English*]

Mr. Friesen: Recognizing the extreme vulnerability of the waters around British Columbia, will the minister undertake to pursue this matter aggressively and negotiate agreement with the U.S. government that the supertankers be double-bottomed?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, until the technology is perfected and it is economically feasible, it will be difficult to put this as a condition.

[*English*]

What we are doing now with the Americans is to have a formal agreement and help each other each time there is a spill.

INDUSTRY

AUTOMOBILES—MINISTER'S DISCUSSIONS WITH REPRESENTATIVES OF CHRYSLER CONCERNING EFFECT OF CLOSURE OF UNITED STATES PLANTS ON CANADIAN OPERATIONS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to address a question to the Minister of Industry, Trade and Commerce arising from the recent announcement by Chrysler Corporation in the United States that five of its six car assembly plants are to close, with the consequent lay-off of some 63,000 workers, or about 70 per cent of the company's total U.S. work force. Will the minister tell us whether he has been in consultation with representatives of the Chrysler Corporation and whether the American shut-downs will have any effect on the Corporation's Canadian plant? If he has held such meetings, can he now report to the House?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker. I have had meetings with senior officials of the Chrysler Corporation. There is undoubtedly a very serious situation in the United States automobile market and sooner or later that situation will overlap into Canada. So far, we have been reasonably fortunate. It is still premature to say whether or not there will be any effect on the Chrysler operation in Canada but there is a good chance there may be some change.

Mr. Alexander: I don't know what the minister means by "sooner or later". Can we take it, if there is a possibility that the spill-over will affect Canada, that the minister will discuss this question with the Minister of Manpower to see to it that the impact on Canadian workers in the industry is minimized? In other words, will he see to it that they can be directed to some other industry?

Mr. Gillespie: There is very close consultation between myself and the Minister of Manpower and Immigration.

EFFORTS OF MINISTER TO GET CANADIAN MANUFACTURERS TO REDUCE PRICES TO UNITED STATES LEVEL

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. Considering the fact that approximately 75 per cent of all vehicles produced in Canada are exported to the United States, and considering the related fact that sales in the United States have dropped off now by about 30 per cent, will the minister inform the House what steps he has taken recently, vis-à-vis the manufacturers in Canada, to get them to bring their prices into line with the United States prices so they might increase their sales within Canada, which could help compensate for the inevitable falloff that will occur as a result of the falloff now taking place in the United States that will affect production here?

● (1440)

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the hon. member is quite right when he says the Canadian market has helped compensate for the drastic reduction in the United States market. Perhaps part of the reason is that the price differ-

ential has been narrowing. I can assure him that I have on a regular basis made it very clear to the presidents of Canadian manufacturing companies that we expect that price level to keep narrowing. I have studied the recent trend and I am satisfied it is continuing.

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ENERGY

DATE OF PUBLICATION OF REPORT ON RESERVES

Mr. J. H. Horner (Crowfoot): Mr. Speaker, in view of the fact the Minister of Energy, Mines and Resources stated last week in this House that he sent a copy of the National Energy Board report to the provinces of Saskatchewan and Alberta, would he now inform the House whether he has had a reply from those provinces, and is it the intention of the government to make that report public as soon as possible to facilitate members of this House during the budget debate?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker, I have had a reply from the minister of mines and minerals of Alberta asking that the report be made public. The minister for Alberta expressed no opinion with regard to the substance of it, and apparently any level of exports from Canada would be acceptable to him. Taking that into account, I will be making recommendations to my colleagues and I expect the report will be made available in the very near future.

ALLEGED REPUDIATION OF AGREEMENT ON OIL PRICES BY PREMIER OF ALBERTA—GOVERNMENT POSITION

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, I have a question for the Prime Minister. In view of the statement made budget night by the premier of Alberta that he is no longer considering the March accord on petroleum to be in effect, will he say whether he has been in touch with the premier of Alberta, and will he be calling a meeting of the first ministers or taking any other steps right away so the new energy uncertainties can be resolved?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should remind the House that when we met several weeks ago the premiers agreed that we would be meeting in May, presumably to talk about—

An hon. Member: May! That's too late.

Mr. Trudeau: —in May to envisage the accord, which would have to intervene after July 1. As far as we are concerned, the situation has not changed. If the premier of Alberta takes certain steps which make the accord that was reached last March inapplicable, perhaps we will be thinking of some further steps.

Mr. Bawden: Mr. Speaker, in view of the importance of this, and the fact that the indication is that the price of crude may go up prior to the date that was set in March, would the Prime Minister consider taking urgent steps to talk with that premier and arrange some earlier meeting of the first ministers?

[Mr. Gillespie.]

Mr. Trudeau: There was an agreement reached between all parties, and as far as I know—

An hon. Member: You broke it.

Mr. Trudeau: As far as I know, the premier of Alberta has indicated he might not consider himself bound by that agreement. I understand that later he indicated he might feel himself bound over the winter. I think it would perhaps be incumbent on the premier to contact myself and other premiers if he feels he is not going to be bound by the agreement that was reached.

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HEALTH

ALLEGED SALE OF CONTAMINATED CANNED PET FOOD—REQUEST FOR INVESTIGATION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, in the absence of the Minister of National Health and Welfare who is attending the dominion-provincial conference, I would direct my question to his parliamentary secretary, and I would suggest it is perhaps more important if less exciting than the last one I asked. The question is prompted by comments of officers of the Consumers Association of Canada and other responsible people to the effect that contaminated and unfit products are being canned as pet food, and that the health of a number of Canadians has been jeopardized from contact with affected pets, and regretfully in some cases of impoverished Canadians by direct consumption of pet food. Could he advise whether the department is or will undertake an investigation of this very serious health hazard?

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I will take note of the hon. member's question.

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FISHERIES

POSSIBLE CHANGES IN HERRING QUOTAS UNDER ICNAF—ADHERENCE OF SOVIET UNION TO QUOTAS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, would the Minister of State (Fisheries) advise the House that on the basis of reports from the ICNAF conference in Florida last week the subject of herring quotas in the George's Bank area was discussed and, if so, would he advise whether any changes were made on the agreed quotas as related to herring and other quotas?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I would ask the hon. member to be patient until tomorrow as I am meeting with officials who return later this afternoon to get a full briefing. I know that this subject matter, which is of urgent concern generally to Canadians, and particularly to Canadian fishermen, will be coming up at the January meeting. There was some discussion in the area of herring and I would not want to

mislead the hon. member by answering until I have been fully briefed.

Mr. Marshall: Mr. Speaker, would the minister take up at that meeting the fact that last year the Soviet Union over-fished their quotas by several metric tons, and the fact that his predecessor requested them to stop fishing off Georges Bank? At the same time, is the minister able to advise the House as to the results of that request to the Soviet Union, and will he take this up, or will those Soviet fishermen continue to violate the quotas agreed upon by ICNAF?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, the delegation had instructions to be very firm on this very question in respect of ICNAF regulations. I will have to wait for a full briefing from my officials to know what took place.

GOVERNMENT MEASURES TO ENSURE ICNAF QUOTAS ENFORCED

Mr. James A. McGrath (St. John's East): Mr. Speaker, in view of the announcement by the Minister of National Defence that surveillance flights by national defence aircraft have been reduced considerably, thereby reducing our supervisory or enforcement capability, I should like to ask what alternative steps the minister is taking in order to insure that Canada is in a position to adequately enforce ICNAF regulations in respect of herring and other quotas off our east coast?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, surveillance was not only carried out by plane but also by ships and that part of the operation is still continuing. Surveillance flights have been reduced but have not been curtailed in full. The regional director for the Atlantic area is on his way to Ottawa and I want to have a further meeting with him.

EFFORTS TO ENCOURAGE COUNTRIES TO BECOME MEMBERS OF ICNAF

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, would the minister of fisheries indicate if any further steps have been taken recently to encourage nations which are not now members of ICNAF to become members of this association so that over-fishing on our continental shelf can be more fully controlled?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I know of no formal steps that have been taken in this direction, but I will inquire.

* * *

ADMINISTRATION OF JUSTICE

REQUEST THAT BAIL BE DENIED THOSE TRAFFICKING IN HEROIN AND THAT PROSECUTIONS BE RESPONSIBILITY OF PROVINCE

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, in view of the serious heroin problem in Canada, particularly in the province of British Columbia, will the Minister of Justice consider bringing in legislation that would, on a temporary basis, not allow bail for those arrested for heroin trafficking?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I think it would be unfortunate in respect of any crime to treat someone accused as convicted. There are, of course, important considerations in respect of bail legislation having regard to a series of crimes; the likelihood of a person accused showing at his trial being one, and judges have a good deal of discretion in this regard. I would note in passing that we might be very grateful at the success investigating officers are having at this point in time in breaking up a series of drug trafficking rings, and that certainly will allow us to make a good deal of progress.

Mr. Reynolds: Mr. Speaker, in view of the fact that trials are taking so long in the province of British Columbia, would the minister consider turning over all prosecutions for heroin trafficking to the government of British Columbia?

Mr. Lang: Mr. Speaker, I do not see how that would in any way facilitate the speed with which trials are taking place. Certainly, in the most serious cases we have always proceeded by way of direct indictment so as to be sure that in fact the trial can be as expeditious as possible.

* * *

● (1450)

[*Translation*]

PUBLIC SERVICE

REMOVAL OF NORTHERN PAY ALLOWANCES—MINISTER'S POSITION

Mr. Charles Lapointe (Charlevoix): Mr. Speaker, I have a question for the President of the Treasury Board.

Following the announcement of the abolition of special allowances for federal civil servants posted on the north shore, does the President of the Treasury Board know that, since eight o'clock this morning, certain federal services are completely paralysed in that area and, if he does, could he tell this House what steps he intends to take to correct this situation which has tragic consequences for the whole population of that area?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I know that a number of employees have walked out on their jobs in that area this morning. I must inform the hon. member, Mr. Speaker, that the decision to abolish these allowances had been taken jointly with the union representatives of those employees when we reached an understanding on certain norms during the reevaluation session. With these new standards, this area is no longer qualified for these allowances, as is the case with several other areas which are in the same situation in Canada. It is not a unilateral decision taken by the government, it is rather a decision that was taken jointly with the union representatives and the national union representatives have not approached me on this subject.

Oral Questions

AGRICULTURE

DATE OF COMPLETION OF REVIEW OF STABILIZATION PRICES

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

Some time ago, answering a question I asked him concerning the support price of farm products, the minister said his officers were reviewing the standards of the Farm Prices Stabilization Board. In view of the producers' concern and in order to reassure them, can the minister tell the House whether that study is over and whether he is now in a position to make a statement to the House on that matter.

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, so far as I know the review is not complete so I am not ready to give the hon. member an answer to any other question.

* * *

GRAIN

WHEAT—ALLEGED AGREEMENT WITH ONTARIO PRODUCERS CONCERNING ALLOWANCE FOR INCREASED COST OF PRODUCTION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. In view of the fact that the officials of the Ontario Wheat Producers Marketing Board advised a number of members of parliament yesterday that they believed they had had an agreement with the minister as late as February 12, I believe to the effect that there would be a provision in legislation to make allowances for increased cost of production, in other words an indexing in the legislation of two-price wheat, I should like to ask the minister if that is his view as well that there was an agreement and commitment from the minister. If so, could he explain why such provision is not in the legislation brought forward by the minister in charge of the Canadian Wheat Board.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the statements I made and the letter I sent to the Ontario Wheat Producers Marketing Board on February 11, 1973 do not say that. Nothing at all is said about indexing in the letter I wrote to them at that time.

Mr. Benjamin: I have a supplementary, Mr. Speaker. In view of the fact that those same officials said that as a result of their discussions with the minister they believed and understood the minister was prepared to do this, I should like to ask the minister whether he had discussions with the minister in charge of the Canadian Wheat Board and whether he made any effort to persuade that minister to incorporate an item in the legislation which many members on all sides of this House want to have.

Mr. Whelan: The legislation to which the hon. member refers deals only with the subsidy and not those other topics we are talking about at the present time.

[Mr. Chrétien.]

TRANSPORT

SUGGESTED POSTPONEMENT OF IMPLEMENTATION OF TOWBOAT REGULATIONS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Minister of Transport. In view of the fact that the B.C. Towboat Owners Association has sent a telegram to all members of parliament from British Columbia wherein they have expressed their concern that the new navigation practices and procedures regulations and other regulations will create an impossible situation in the towboat industry, will the minister give consideration to postponing implementation of these regulations until a full representation has been made by this industry.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, at this moment we are revising the regulations so that there is not only security but so that more tugboats are covered by the regulations.

* * *

ADMINISTRATION OF JUSTICE

RECOMMENDATION TO CABINET OF SOLICITOR GENERAL ON SENTENCE OF TWO MURDERERS OF POLICEMAN

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is directed to the Solicitor General because he is the minister who introduced the bill to retain the provision of capital punishment in the case of the murder of police officers. Since the Solicitor General is responsible for the safety of members of the Royal Canadian Mounted Police, in view of the recent verdict of guilty by a Supreme Court jury of two men who murdered an RCMP officer, will the minister advise what his recommendation will be to cabinet regarding the sentence handed down by this jury which met to consider a recommendation of clemency and refused to recommend such clemency.

Mr. Speaker: Order, please.

Mr. Nielsen: Mr. Speaker, as the Solicitor General does not choose to answer the last question—

Mr. Speaker: Order, please. The Solicitor General was not given an opportunity to answer the question because the question was not in order. To ask the Solicitor General to anticipate what his answer will be when a matter comes before him in the future surely is not a proper question.

Some hon. Members: Hear, hear!

Mr. Nielsen: I apologize to the Solicitor General. I did not hear Your Honour rule the question out of order.

* * *

REGIONAL ECONOMIC EXPANSION

REQUEST THAT PROGRAMS BE EXTENDED TO YUKON AND NORTHWEST TERRITORIES

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion.

Since he administers a department which is set up for the purpose of eliminating regional and economic disparities in all parts of Canada under federal legislation, I wonder whether he can inform the House when he will make the Canadian legislation applicable to all parts of Canada by implementing programs in the Yukon and Northwest Territories.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I think the hon. member should recall that we discussed this matter on a number of occasions. The predecessor to the Minister of Indian Affairs and Northern Development and I had lengthy discussions on this subject. The objective was to have the same kind of assistance rendered in the territories as in the provinces. I have not, however, had such a discussion with the present minister but undertake to do so. Although it may not be under the DREE program we will try to level it out in terms of both parts of the country, if you wish to put it that way.

* * *

EXTERNAL AFFAIRS

CONFINEMENT OF VALENTYN MOROZ BY SOVIET AUTHORITIES—REQUEST PRIME MINISTER INTERVENE—SUGGESTED EXAMINATION BY GROUP OF IMPARTIAL PHYSICIANS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct my question to the Prime Minister. It has to do with the incarceration of Valentyn Moroz. Having regard to the latest representations made to this government and to all members of parliament by the committee on defence of Valentyn Moroz together with the assertion that the information communicated by the Soviet Foreign Minister to the Secretary of State for External Affairs is either false or outdated, might I ask the Prime Minister if he is now prepared to intervene personally and make representations to the Soviet Union to determine accurately the medical condition of Valentyn Moroz.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sure the hon. member remembers the answer given by the Secretary of State for External Affairs a very short while ago. He is asking that I review representations which I have made at the highest level, the level of Premier Kosygin and the level of the ambassador. Quite frankly I have no reason to believe any new statement by me would bring any different reaction than I received in the past. I would like to know if the hon. member has some reason to expect things would change.

Mr. Mazankowski: I have a supplementary, Mr. Speaker. In view of the conflicting statements, I wonder whether the Prime Minister or the Secretary of State for External Affairs have considered approaching the Soviet authorities with a view to requesting that Mr. Moroz be examined by an independent and impartial group of physicians to accurately determine the state of Mr. Moroz's condition since the committee in defence of Mr. Moroz suggests that he might not be expected to live beyond the end of this year.

Mr. Trudeau: Mr. Speaker, I do not believe this has been envisaged by the government, and I would have some hesitation in endorsing that course of action. It is really tantamount to indicating that we have no confidence in the Soviet government in respect of its word, and if we say that there is no reason to believe they would be any more generous to us if they think we do not have confidence in them.

* * *

● (1500)

TRADE

ALLEGED INTENTION OF WESTERN PROVINCES TO SEND TRADE MISSIONS ABROAD—GOVERNMENT POSITION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): My question is directed to the Minister of Industry, Trade and Commerce. The minister is aware of the meetings which took place in the past week and up to the last weekend of the industry ministers of the four western provinces. Having regard to the joint communique issued by the industry ministers of the four western provinces following their meeting last week in Winnipeg in which concern and dissatisfaction was expressed with respect to federal policies concerning the west and announcing the intention of the western provinces to embark on a number of joint promotion and development activities, including the dispatching of trade missions outside of Canada, is the minister prepared to take steps with respect to his trade commissioners' service which apparently is failing to meet the needs and aspirations of western Canadians, according to the ministers, so that the unnecessary duplication and additional burden to taxpayers can be avoided?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, on the first point, I want to make it clear that we are trying to assist the western provinces to realize all their aspirations for both trade and industrial development. I have had a number of discussions with them as recently as today on just that point.

The second point I want to make is that in the past some of the provinces have set up trade missions abroad for their own purposes. I am not sure that they proved to be fully satisfactory. However, that is a decision which they alone will want to make.

As to the other kinds of trade missions, that is to say the kind where they would pay a visit to another country, we will do everything we can to assist them in those missions so that they can make the best use of their time.

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SUPPLY AND SERVICES

DISSATISFACTION OF WESTERN PROVINCES WITH THEIR SHARE OF FEDERAL PURCHASES—GOVERNMENT ACTION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my supplementary question is directed to the Minister of Supply and Services. Having regard to the concern and dissatisfaction expressed by western industry ministers with respect to western Canada's share of federal purchas-

ing dollars, is the minister prepared to take immediate steps to direct his department to deal with western Canadian suppliers on an equitable basis as opposed to its apparent current discriminatory practices?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, if there is discrimination these days, it is in favour of the west. I spent the weekend in Vancouver, where I met with businessmen and inaugurated a regional supply centre on the Pacific coast. On December 6, I shall go to Manitoba to announce the opening of an exhibition where the federal and provincial governments in close cooperation, will indicate to businessmen how to do business with the federal government and what possibilities are offered them. Therefore, I can say that the west is certainly in a position to do business with the federal government, and increasingly so with the same opportunities as in the rest of the country. That is the government's policy.

[*English*]

Some hon. Members: Hear, hear!

* * *

FINANCE

POSSIBLE ESTABLISHMENT OF PROVINCIAL CROWN CORPORATIONS TO EXPLOIT OIL AND GAS—DIFFERENCE IN TREATMENT AS COMPARED WITH HYDRO CORPORATIONS

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Finance. In view of the minister's statement that he would not look favourably on provincial governments having provincial Crown corporations exploiting oil and gas to escape federal taxes, could the minister explain in what manner these corporations would differ from provincial hydro corporations and similar utilities?

Some hon. Members: Hear, hear!

Hon. John N. Turner (Minister of Finance): The question is still hopefully hypothetical.

Some hon. Members: Oh, oh!

* * *

AGRICULTURE

ARRANGEMENTS TO IMPLEMENT COMMITMENT OF FOOD TO NEEDY COUNTRIES

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Minister of Agriculture. Bearing in mind that Canada made a commitment at the world food conference for one million tons of food for three years starting next year, may I ask the minister what is the earliest month in 1975 in which that food will be sent, what countries will receive that food, what transportation plans are being made, and will these plans be in a sufficient state of preparation to be announced at the November 29 meeting of ministers?

[Mr. Hnatyshyn.]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, in answer to the many questions asked by the hon. member, I am sure he and the House are aware of the fact that Canada made a commitment. I will be making a more detailed statement tomorrow, and I hope that some of these questions will be answered at that time in more detail.

* * *

NATIONAL DEFENCE

POSSIBLE CHANGE IN PRIORITIES OF ROLES OF FORCES—ALLEGED LACK OF PATROLS IN ARCTIC

Mr. J. P. Nowlan (Annapolis Valley): My question is directed to the Prime Minister. In light of the fact that the government's white paper on defence set as a top priority that there will be surveillance of our own territory and coastlines, and this was confirmed by the Minister of National Defence as recently as October 15 in the debate on the Speech from the Throne when he said:

> Our first task and our central responsibility are nothing less than to defend Canadian independence and sovereignty.

—can the Prime Minister tell the House whether the priorities in defence have changed in view of the admission by the Minister of National Defence yesterday that all coastal patrols on both the east and the west coasts have been substantially reduced and at that time—meaning yesterday—there were no patrols in the Arctic and none contemplated? Can the Prime Minister answer the question, keeping in mind that the other three priorities set out in the white paper, that is NATO, NORAD and peacekeeping, have had no cutbacks?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, the priorities have not changed. The government is doing the best it can within its budgetary limitations to fulfill these priorities in the order that has been stated by the minister.

Mr. Nowlan: Mr. Speaker, I should like to put my next question to the Prime Minister but I think I will put it to the Minister of National Defence. In the light of today's report that Soviet and American armed forces are encroaching on and over Canadian territory in the north, would the minister advise the House what action his department is taking to police, patrol and protect Canadian territory in the high Arctic? At the same time, and with your indulgence, Mr. Speaker, would he clarify the answer he gave to the hon. member for Esquimalt-Saanich when he said that there were flights in the north, having admitted yesterday that there were none and that none were contemplated?

Hon. James Richardson (Minister of National Defence): I did not say yesterday that no flights were contemplated. I said very clearly that patrols were continuing on a regular basis but at a reduced level. I said yesterday that I did not know the date of the next high Arctic flight. I can report today that there will be flights next month and in the following month. They are continuing on a reduced but regular basis into the high Arctic.

On the hon. member's question concerning the report this morning by the CBC, I can confirm to the House that to the best of my knowledge no Soviet aircraft are flying in Canadian air space or have been flying in Canadian air space.

Mr. Nowlan: Mr. Speaker, I will make this a very direct supplementary question. In view of the fact that there have been no Arctic flights of the Maritime command either from Comox or any of the Maritime command bases in Canada in September, or October or until this time in November and yet the minister said yesterday, as recorded at page 1443 of *Hansard*:

. . . no date has been set for the next flight to the north.

—how can the minister say with such assurance that in effect there is no encroachment either from the sky or from the water?

Mr. Richardson: The hon. member should know that it is not reconnaissance flights that identify foreign aircraft, but rather the radar screen and our interceptory aircraft, which are working at full capacity and have not been reduced in any way.

Some hon. Members: Hear, hear!

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Monday, November 18, consideration of the motion of Mr. Turner (Ottawa-Carleton) that this House approves in general the budgetary policy of the government.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, on Monday evening I referred to the Minister of Finance (Mr. Turner) as being an over achiever when it comes to inflation. But I want to be fair to him and I want to say that he is not the only over achiever in the government. We must consider the Minister of Agriculture (Mr. Whelan). He has certainly done his share. In fact he has done so well that he seems to have acquired some delusions of grandeur because he now refers to himself in the third person. The minister keeps saying that we on this side of the House are trying to destroy him because he won the election. I thought he might have given some credit to his leader. But seriously, Mr. Speaker, I wonder whether he really believes he could have won that election without my help.

● (1510)

Some hon. Members: Hear, hear!

Mr. Stanfield: Then there is the Minister of National Defence (Mr. Richardson).

An hon. Member: The Winnipeg Kid!

Mr. Stanfield: Here we have a pleasant, modest man who has demoralized the armed forces without even trying. The minister has told us that in the course of this debate he will not be able to say just what his forces will be doing in the future. He tells us not to worry about it, however, because he has just opened a canteen for the armed forces in the Near East. There is no question about the minister's proven ability when it comes to opening up a mess.

Some hon. Members: Hear, hear!

Mr. Stanfield: The problem from time to time with some messes is how to close them down and keep them closed. The Minister of National Defence is still sitting there with his own mess. I hope he can tell us soon just how he plans to manage it.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Stanfield: The Minister of Transport (Mr. Marchand) is not here now and as we know he is responsible for an important sector of our economy. He is a charming and amusing man but one who simply does not know whether he is going or coming. For a Minister of Transport it is rather disturbing. The Minister of National Health and Welfare (Mr. Lalonde) is also absent. He stands as the top travelling salesman of the government and accepts the invitation of a kind and cordial friend and takes off for Israel. He saved the government a substantial expense, but however he may look for all sorts of explanations to hide his action, his guilt remains nevertheless obvious. The minister reminds me of someone caught in the buff holding a trembling leaf the better to hide his honour.

[*English*]

I suggest to the Prime Minister (Mr. Trudeau) the other day that he should consider asking the Minister of National Health and Welfare (Mr. Lalonde) for his resignation for those operations. After the exchange that took place between the Prime Minister and myself yesterday I recognize that we have substantial differences of view with regard to conflict of interest and propriety particularly as they relate to the spouses of members of the government. Sir, I have to ask myself, and I say this in all sincerity, if I had the responsibility of being Prime Minister of this country how could I rebuke one of my ministers for borrowing a flight to Israel from a friend in Canada when I did not take any objection at all to my wife accepting a larger travel gift? It is not a question of me, or anybody else, thinking that such a thing would affect any future decisions of my making if I were Prime Minister—

Mr. Boulanger: You will never be Prime Minister!

Mr. Stanfield: —or that it would affect in any way any decision that the present Prime Minister will make. That is not the point.

Mr. Caccia: Deal with the budget.

Mr. Stanfield: I say, Sir, that if it is O.K. for those at the top it will be regarded as O.K. by ministers and all public employees throughout the government service.

An hon. Member: That's right!

Some hon. Members: Hear, hear!

Mr. Stanfield: I do not think it is O.K.

Some hon. Members: Hear, hear!

Mr. Stanfield: The budget paid lip service to public confidence, seeking a consensus, and seeking self-restraint from Canadians. But how do you achieve the consensus? How do you achieve these things if Canadians do not know if they can trust you? Trust is a very fragile thing and it can be wiped out in many ways.

The Minister of Finance is fond of saying that he always comes clean with the House and the people of Canada. I certainly would not accuse him of any deliberate misrepresentation with regard to his revenue forecast. The minister has a short term forecasting capability, about the same as that of the crew on the *Titanic*.

Mr. Nielsen: With the same result.

Mr. Stanfield: I hope the results are not as serious. In less than six months he has had an enormous turn around in current revenue expectations and predictions. He is literally swimming in tax revenues because of the effect of two figure inflation on incomes, so that even with his one year lag indexing in effect he is just swimming in additional moneys. The minister repeated the other night that he has always been frank with the House and the country.

Some hon. Members: Hear, hear!

Mr. Stanfield: We all recall, even some of my friends down there who are trying to make their presence known today, how this minister introduced indexing, speaking of coming clean. His words were somewhat muffled inasmuch as he was speaking, in effect, from somewhere in his stomach, having swallowed himself to do it. But even with indexing, this minister who always comes clean—his cup runneth over with tax dollars which have come in at the expense of the erosion of the real net income of the taxpayers of this country.

The inflation rate this year substantially exceeds the rate the minister has adopted for indexing. So the minister decided he had better give back some of the money he had taken, in the urgent hope that this would help ease the pressures for the further large wage and salary increases that people feel they need to keep up with inflation. I do not quarrel with that action. It is the kind of thing we recommended many times. But I do take exception to the minister's representing these things as tax cuts.

● (1520)

How many Canadians has the minister, and his immediate predecessor, taken off the tax rolls of Canada? Is it 25 million? It must be 25 million by this time. And yet he stands up in this House and solemnly intones what this means in forgone revenues to the government. He considers this a significant demonstration of belt tightening by the government. The quality of that argument is about the same as the quality of hamburger acceptable to the Minister of National Health and Welfare.

The cut, if it be such, is a cut from what? It is a cut from unjustifiably high tax rates which the government set in the first place—that's what. And the government is forgoing what? It is forgoing revenue which accrued to it because of the inflation which the government did not have the guts to tackle. That is all this means. How in the world do you tighten your belt unless you trim something off current federal expenditures? How can the Canadian people take this government seriously? How can they think it is serious when it talks about achieving some consensus, or sharing national productivity, or sharing the pie, or exercising discipline in collecting its share of taxes?

How can anyone believe that the government is serious about tackling economic conditions in this country? Sir, aside from the rate of inflation, the job vacancy rate is at a higher level than it has been at any time in the past four years yet the unemployment rate is still unacceptably high and the cost of unemployment insurance is running at over $2 billion per year. But will the government undertake an independent inquiry into the unemployment insurance program? No, not on your life, Sir. How can you take the government seriously when it talks about wanting to achieve consensus but offers nothing on which consensus can be built?

The minister says he always comes clean. I challenge him to reveal the inflation forecast on which he based the budget figures. I am not challenging him to predict the rate of inflation. He says he always comes clean. Well, let him tell the House what the rate of inflation forecast was on which he based the estimates he presented to the House on Monday evening. On what did he base estimates of revenue? He should reveal the basis for his estimates if he wants to appear serious about encouraging discussions which will lead to a voluntary consensus. But he will not disclose those figures.

The minister is asking other segments of society to cooperate, without their knowing on what the government based its forecasts for revenue. That is absurd. Sir, this sounds like something from Alice in Wonderland. The cover on the budget speech ought to read, "John in Blunderland."

Mr. Turner (Ottawa-Carleton): Oh, boy! Send that back to whoever wrote it.

Mr. Stanfield: I do not pretend the minister's task is easy. I sympathize with him in his task. I would show even more sympathy if he would show more determination in facing it, instead of indulging in razzmatazz.

An hon. Member: George is the expert in that.

Mr. Stanfield: George may be the expert, but the minister knows how to practice it. If he had shown clear determination to fight inflation, we could have accepted his stand. I do not ask him to follow my suggestions. On the other hand if he proposes serious measures which show he intends to fight inflation in this country, I will support him. But he did not do that. There is not the slightest hint in the speech of any determination to face that responsibility.

The minister expressed concern about a recession. I share his concern. Like him, I dread unemployment which may develop in the near future. The minister also mentioned measures designed to induce growth in Canada; on

the other hand he said clearly that we cannot expect continued growth unless inflation is brought under control. But the budget is a complete cop-out in the fight against inflation. It is a complete cop-out in terms of effort to reach any consensus. Clearly, the measures referred to in the Speech from the Throne, and hints the Prime Minister has been throwing out since then, are so much guff. In the budget speech there was nothing but mush. There was nothing about consensus in the speech. That idea, clearly, has been abandoned; I doubt if it was ever entertained seriously.

In our country productivity rates are declining and the size of wage and salary settlements is increasing. Canadians are doing this to protect themselves from the rising cost of living. The minister wants to control inflation, avoid a recession and preserve growth. But how can you avoid a recession when you have not done anything to control inflation? And how can you induce growth under those conditions? Perhaps Mr. Clean can tell us.

The trouble in our housing industry has been created mostly by inflation and associated high interest rates. Mortgage interest rates will not decline substantially unless somebody—certainly the minister will not do it—reduces the inflation rate substantially in this country.

Sir, the minister has put the country on a roller coaster. In association with the Bank of Canada he moved interest rates up; now it appears he is to move them down. Next year, to meet the government's cash requirements, very probably he will move interest rates up again, unless the money supply is vastly increased. But that increase in itself would be highly inflationary. The minister has indulged in the sort of erratic manipulation of economic tools which for years the Economic Council has condemned. As I say, he has put the country on a roller coaster.

I would have expected at least a little humility on the minister's part on Monday night. It ought to be apparent to him, for example, that his policy on interest rates and his handling of the public debt in the last few months has cost Canadian taxpayers billions of dollars. He encouraged interest rates to rise, which in itself was inflationary, and because this created a run on Canada Savings Bonds he had to increase substantially the yield on outstanding Canada Savings Bonds.

Furthermore, as recently as last September 30 the minister created a new issue of Canada Savings Bonds and simultaneously moved up yields on all outstanding Canada Savings Bonds, not to protect people against inflation, but to persuade Canadians to hold on to their bonds and buy new ones. This action was not the result of any anti-inflation policy. And, such was the minister's planning and foresight that now, a few weeks after September 30, the minister has reversed his policy on interest rates. Having moved them up sharply and, incidentally, wrecked the housing program in the country, the minister has now decided to lower interest rates.

You know, all this reminds me of an old nursery rhyme with which you must be familiar, Mr. Speaker. It goes something like this:

The King of France went up the hill
With twenty thousand men;
The King of France came down the hill
And ne'er went up again.

Undoubtedly the last part, as it applies to the minister, is correct; but I am afraid he will go up again.

● (1530)

In any event, the manoeuvre of the Minister of Finance was not merely nonsense, but very costly. The discounted present cost of the minister's nonsense over the life of Canada Savings Bonds would exceed $2 billion. That is quite a sum, even for the successors of the Hon. C. D. Howe. Let us all humbly give thanks for the boundless wisdom of the government and its tremendous skill in short term forecasting.

With regard to housing, which is a great worry to Canadians, what did the minister do besides starting a downward trend in interest rates? Nobody knows what will happen there. He stuck with the gimmicks announced in the May budget and during the election campaign.

This reluctant tax indexer has reluctantly removed part of the sales tax on building materials. There again we have rather muffled tones from the minister, who always comes clean with parliament and the Canadian people. As far as that is concerned, it is another self-swallowing act for the minister and the Prime Minister. A few more budgets and the minister will have as many or probably more swallows than Capistrano.

Let us look more closely at the little game that is being played. Instead of taking off the full 11 per cent sales tax on building materials, as we have advocated for a long time and still advocate, the minister reduced the rate to 5 per cent. And he has set up a new program to pay $500 to first time purchasers of new homes.

The bureaucracy necessary to collect the 5 per cent sales tax is just as large a bureaucracy as was required to collect the 11 per cent sales tax. In addition, the minister is setting up a new bureaucracy which will have to be of some size to administer the new program of a $500 home-owner grant to each purchaser of a new home. I do not know if that is the key to the job creation program for the new year, but it is a great way to fight inflation. It would be far simpler, more effective, more meaningful, and make more sense to do what we and many others have suggested—simply remove the whole 11 per cent sales tax on building materials.

Some hon. Members: Hear, hear!

Mr. Stanfield: The minister, who always comes clean, is rewriting a bit of his own record. Last May he told us that cutting the sales tax was not advisable, but now it is an ingenious method. Of course, we do not have to go as far back as last May to see how things change in this cabinet of chameleons.

During the election campaign the Prime Minister talked about his great housing platform. He said cutting the amount of sales tax on building materials would be inequitable. He would not touch it with a 10-foot pole.

An hon. Member: Right.

Mr. Stanfield: He may be right, but he better explain why it is equitable now.

Mr. Trudeau: I did explain.

Mr. Stanfield: The admirers of this government may consider it to be a government of infinite flexibility and adaptable pragmatism, but in plain old-fashioned language, I can only term it dishonest.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Stanfield: Several of the attitudes and statements coming from this government are frankly dishonest, and that word does not seem to me to be exaggerated. Too often, several statements reflect a misconception of the facts, and the Prime Minister himself made such mistakes. One has only to take the example of charges and taxation in the field of natural resources.

In Brantford, Ontario, on June 7 last, at a press conference, the Prime Minister dealt with that question on three occasions in relation to the report of the Royal Commission on Taxation presided by the late Kenneth Carter.

The following quotations are from a report of that same press conference which was provided by the Office of the Prime Minister.

[*English*]

At one point during the press conference, the Prime Minister said, and I quote:

> And as Carter recognized many years ago in the Carter report, the best and simplest way to do that is to disallow royalties for federal corporation tax purposes.

Later in the news conference he referred again to the Carter report and said:

> The position we took in the budget, which I repeat is the one recommended by the Carter commission, is disallowing royalties as an expense from the point of view of federal taxation.

A bit later the Prime Minister said:

> —the approach recommended by Carter is a very good one. It is saying the federal government will have its right of taxation, it won't count royalties as an expense deductible for income tax purposes.

In these three references the Prime Minister firmly and unequivocally represented the Carter report as offering on the record support for the action which was proposed in the May budget and again in this budget, action to disallow deductibility of provincial royalty payments for federal income tax purposes. The Carter report did, of course, deal with this subject. It is covered in some detail in Volume 4. I quote from page 350 of Volume 4:

> Whether the provincial governments derive revenues from natural resources through lease payments, royalties, or a tax on income, the charges are nevertheless a cost of acquiring a supply of the mineral or petroleum concerned. Therefore, such charges, regardless of their form, should be deductible in the computation of income in the same way as any other cost of doing business.

Some hon. Members: Hear, hear!

Mr. Stanfield: In its conclusions and recommendations, at page 375 of Volume 4, it states, and I quote:

> Payments to the provinces for natural resources should be deductible. Similarly, the mining taxes paid to the provinces should be allowed as a cost of earning income and not as a tax credit.

The Prime Minister, the Minister of Finance and other ministers may have their own reasons for the action proposed in the budget, but for the Prime Minister totally to misrepresent the Carter report to a news conference hardly generates much confidence in the good faith of the government. It hardly indicates that the government has much confidence in its own position, or that it really believes in the merits of that position. Clearly the Prime Minister was attempting to manipulate an issue which goes to the very roots of our confederation.

Some hon. Members: Hear, hear!

Mr. Stanfield: The record of the government's recent dealings in the resource field is marked throughout not only by dishonesty, but by what can only properly be called treachery. We are all familiar with the agreement reached between the government of Canada and all the provinces on March 27 of this year, an agreement on the price of crude oil at $6.50. The Prime Minister reported this in the House on March 28. He indicated it would last for a period of 15 months, from April 1, 1974, to June 30, 1975.

● (1540)

We all remember how relieved we were to get this information—how everybody regarded this as an act of statesmanship on the part of the Government of Canada and of the provinces concerned. But less than six weeks later, less than six weeks after the statement announcing that agreement had been made in this House, the government produced its astonishing proposal on resource taxation, a proposal which it knew would be unacceptable to the provinces involved. The Minister of Finance must have known, the Prime Minister must have known that the provinces concerned would never have entered into that agreement on March 27 if they had entertained the slightest suspicion about what the Minister of Finance intended to do on May 6, and what he repeated again on Monday night.

Some hon. Members: Hear, hear!

Mr. Stanfield: That is what I mean by treachery, Sir. Those Pearl Harbour boys are at it again.

Some hon. Members: Oh, oh!

Mr. Stanfield: Yes, they laugh. But it is hollow laughter. On March 28 of this year we all saluted what appeared to be a new spirit of good will and seeming good faith, which made this 15-month agreement possible. Less than six weeks later we were sharply disabused of our feeling that the Prime Minister had been conducting himself in a spirit of good faith in his negotiations with the provinces. The bad faith became evident. I say, Mr. Speaker, without hesitation, that I know nothing in the history of federal-provincial relations in this country which involved such bad faith and such treachery.

Some hon. Members: Hear, hear!

Mr. Stanfield: The presumption of the government is that confrontation is in style and that the central government will eventually prevail. The presumption of the gov-

ernment is that anything is fair in dealing with a province or a group of provinces. It is a sad thing that is happening. In pursuing these ill-considered and sneak attacks in its budget proposals the government is playing with fire, and playing with the future of this country.

As to the changes the minister has in mind with regard to equalization, I am prepared to wait until he has met with the provinces—he has indicated he will meet with representatives of the provincial governments before bringing in legislation to change these arrangements. As I say, I am prepared to await these important developments.

What we are seeing is a two-pronged power play by the federal government to centralize power, to control natural resource development and marketing—

Mr. Fairweather: —and to tear up the constitution.

Mr. Stanfield: It is a move designed to make provinces puppets of the federal government.

An hon. Member: Wait until Davis dances.

Mr. Stanfield: Speaking of dancing, I hope none of the Liberal members from Quebec, who always seem to remain silent when questions of importance are being discussed, are not at all surprised that support for the PQ is on the rise in that province.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): They are wide awake, now.

Mr. Wagner: Now they are listening!

Mr. Stanfield: I don't know what stand the federal government could take, or what stand these Liberal members from Quebec would support which would do more to disillusion the people of Quebec or make them feel more that their traditional rights were being abandoned.

Some hon. Members: Hear, hear!

An hon. Member: How about your own party?

Mr. Stanfield: Mr. Speaker, when the government had a two-price system for oil in the fall of 1973, Quebec representatives sat back. There was nothing wrong with that. They accepted it. That was not unfair at all. Who was it who spoke up in the House?

Mr. Trudeau: Talk to one of your leaders in Quebec.

Mr. Stanfield: Never mind about that. Here they are now, the men who are supposed to represent federalism in Canada, the members from Quebec who belong to the great federalist tradition in the Province of Quebec. They sit in silence. Well, if they are going to sit in silence, I wish they would keep silent.

Some hon. Members: Oh, oh!

Mr. Trudeau: How many PQ supporters voted for your party?

Some hon. Members: Oh, oh!

Mr. Stanfield: Well, well. The Prime Minister came alive.

Mr. Trudeau: I said it in the debate last spring. I quoted them. They are working for your party. You can regret that separatism is making inroads.

Mr. Stanfield: I guess I missed those words of wisdom. The question is not what I miss. That does not make much difference. The question is, really, what the government is doing to the country. No longer will there be any need for serious consultation and bargaining. The federal government assumes the right to fix the price and to dictate revenue sharing arrangements by disallowing provincial royalties as deductions from income for federal tax purposes. I do not see how the Minister of Finance could make such a proposal. If I ever understood his ideology at all, I do not understand how he could possibly justify it.

This will probably encourage take-overs of petroleum and mining operations by provincial governments. Whether a province wants to take over petroleum or mining operations on the merits is a question for the province concerned to determine. Clearly this ought not to be the purpose or effect of federal tax policy, to push or encourage provincial governments to take such a position.

● (1550)

The people of Canada ought to be aware of what the federal government is up to, and what will be the effect of a fundamental change in the nature of our country. The government is set on a collision course which may shake the very foundations of our confederation, and at the same time a course that deprives future Canadians of security of resource supply. The present generation of Canadians in their own lifetime will begin to feel the terrible effects of the continuation of this madness, and future generations of Canadians will suffer the full brunt of it, and will lament that those who did not have to pay the price condemned them to reap the whirlwind.

I call it madness; to me the word is hardly strong enough. The course must be altered. The passage of this budget in its present form would be an indelible black mark on the record of this parliament. In the time left to us before the final vote on the relevant bill we must seek other means of persuasion to achieve alternatives, but if the government chooses to remain unbending it will face an official opposition of equal resolve.

Some hon. Members: Hear, hear!

Mr. Stanfield: There was an atmosphere of unreality surrounding the minister's speech on Monday night. It was hard to believe, listening to him, that the country was gripped by raging inflation, that our world is threatened by a future energy shortage, or that the world is threatened by the disaster of escalating crises. Can anyone who loves this country, anyone who values civilization, stability and economic progress, accept the government's arrogant cowardice?

Some hon. Members: No!

Mr. Stanfield: When I think of a simile to describe the conditions and dangers of the world today I think of the

mental pictures we all had as boys, of the terror and catastrophe created on old warships by a wild cannon careening around the deck as the ship pitches and tosses.

Some hon. Members: Oh, oh!

Mr. Stanfield: I don't know what is so amusing to the Prime Minister, but perhaps he would let me in on it.

Mr. Trudeau: The mental picture you are presenting.

Mr. Stanfield: I don't think that that's very relevant. The world today is like the deck of one of those ancient ships, with many cannons secured only by a very slender rope, ready to careen if somebody cuts the rope. I suggest, with regret, that no one is offering real leadership in attempting to make these cannons secure.

Some hon. Members: Oh, oh!

Mr. Stanfield: The Prime Minister laughs.

Mr. Trudeau: I sure do at the metaphor.

Mr. Stanfield: That is a pretty good metaphor, and if the Prime Minister reflects on it I am sure he will agree.

Our Minister of Finance rattles around the world, and he talks like a cannon, at least in comparison with the rate at which I talk. If he has offered one constructive thought as to how these cannons should be made secure we have yet to hear it, and the budget address on Monday night did not contain any hint of it.

As far as we can tell, the government's international economic policy is like its domestic policy; it is fatuous, cowardly, inconsistent and dishonest.

Some hon. Members: Hear, hear!

Mr. Stanfield: The government has its mandate to govern and to lead, but what in fact is it offering? Here we have a government picking a fight within our own country; dividing the country, endangering the development of future supplies of energy for Canadians, talking about a consensus but pursuing a confrontation. There was no attempt to come to grips with inflation. Yes, there was some language of warning; but what comes through essentially is complacency. How fortunate we are! If only those in charge of other countries could run their affairs as well as this government runs Canada!

Some hon. Members: Oh, oh!

Mr. Stanfield: There is nothing in the budget to summon Canadians to do battle with a mortal enemy that may destroy us. There is nothing here in the budget that encourages Canadians to accept some temporary sacrifice, to accept restraint in order to bring inflation under control. There was certainly no call to arms. There was a battle plan against the provinces, but there was certainly no battle plan against inflation.

Some hon. Members: Hear, hear!

Mr. Stanfield: Therefore, Mr. Speaker, I move, seconded by the hon. member for Saint-Hyacinthe (Mr. Wagner):

[Mr. Stanfield.]

That all the words after "that" shall be deleted and there be substituted the following:

"This House condemns the budget as failing to mount a concerted attack on domestic inflation while at the same time proposing measures which contribute to national disunity."

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to begin by commending the Leader of the Opposition (Mr. Stanfield) for what I thought was an excellent speech, and to indicate to you, Sir, and to the House, that we agree with his position on the constitutional issue. He put that issue very well and in very concise terms. I agree that the federal budget presented on Monday is a breech of confidence with the oil producing provinces of this country, and is something the government will dearly pay for in the future.

Some hon. Members: Hear, hear!

Mr. Nystrom: Let me also say that the same thing holds true when it comes to equalization with respect to the province of Saskatchewan. Our province had a commitment from the Prime Minister (Mr. Trudeau), and the Minister of Finance (Mr. Turner), that equalization would not be touched if that province agreed to the oil agreement of last March. That, of course, is not going to be the result of the budget brought down last Monday.

I want to say that to me the budget brought down Monday night seemed like a classical Liberal 19th century type of approach to the economy. We might almost have seen Gladstone rather than the Minister of Finance presenting the budget on the evening of November 18, or we might have seen the ghost of Ben Benson, puffing his pipe and drafting the economic policies of this country. These are the things of which the budget reminded me, as a member of the New Democratic Party.

● (1600)

The budget in my terms is a rich man's budget. It proposes nothing new to improve the lot of the average and low income people of this country. Nearly all the measures in the budget will give more to those who have money. Nearly all the measures are regressive. They follow the old Liberal theory called the trickle down theory. They prime the pump at the top, and pour in money at the top, to the wealthy and the corporations, in the hope that it will trickle down to those at the bottom, those at the bottom who are able to live, who have jobs and who work in this country. That is the theory our party rejects. It is one which our party feels strongly will not work, and has never worked in this country.

If you look at the proposals in the budget you will find that almost everything fits into that type of pattern. There is the registered home ownership plan, and the exemption of the first $1,000 of interest income which has now been expanded to include dividends, or a combination of dividends and interest. There is the first $1,000 for extra pension other than pensions which are universal in this country. There is a new provision to exempt income in respect of building an apartment building. All these proposals assist far more the wealthy and the haves in this country than the ordinary citizen whom we represent. The same is true for corporations.

Again the minister has provided all kinds of goodies for the corporations. There is the extension of the fast write-off which was supposed to have been eliminated at the end of this year. It has been continued indefinitely without the report to us that the minister promised. The provision of the 100 per cent right-off for exploration for petroleum companies, and a 10 per cent corporate surcharge, that excludes almost all the corporations in this country, together with the 5 per cent corporate tax abatement to the petroleum companies, add to the already extensive bonanza this country has provided to the corporations, year in and year out, from the pockets of our taxpayers.

On the other hand, what is there in the budget for the ordinary citizen? There is a tax cut of $50. I suggest the Minister of Finance was a little less than honest in the way he presented the tax cut, as if it were to be a minimum of $150 for the people of this country. In February, 1973, he implemented a tax cut of $100. That tax cut continues in the main budget. Last May another $50 was added. The tax cut that came in the budget on Monday was just a re-introduction of the $50 tax cut of last May. So, all that is gained by the ordinary and low income person in this country is a $50 tax cut, which is 97 cents a week—less than $1 a week. That is the only thing in the budget for the low income persons, of whom there are many in this country from one coast to the other.

The government even failed to mention an increase in the basic old age pension. It failed to offer any assistance to the working person. It failed to raise the exemption or to give any credit to people with children, for child day care. It failed even to mention any assistance to farmers. I think it pointed out in explicit terms the people the government is interested in helping, and the people the government is interested in forgetting about in our society.

This is clearly a budget for the rich, the wealthy, and those who already have. It is a budget for the investor, the stockbroker, the corporate executive, the doctor, the lawyer, and for the very mandarins who drew it up, Mr. Speaker. These are the people who will reap real benefits from this budget, not the middle or low income people in this country.

The proposals in the budget violate the principle and intent of the recommendations made by the Carter Commission when it pointed out that we have one of the most unfair taxation systems in the industrialized world. Because of the budget before us today, more loopholes and exemptions will be created, and we will forget about the theory that a buck is a buck, no matter from where it comes.

Now this government decrees that it is the type of buck which decides what kind of an exemption a person will get for it, and not where that dollar happens to come from, and this, I think, is a very bad theme in which we should not become involved in this country. I think the theme of a budget, in a country as wealthy as this, should be the redistribution of wealth and income in order to provide a more egalitarian society for one and all. I think that should be the theme of any budget.

We are fortunate to possess immense natural and mineral resources, and a manufacturing and processing industry which is growing strong with people who are very highly skilled and highly trained. With all the affluence we have I see no reason why Canada should have such a high rate of poverty and unemployment, and such substandard housing conditions for many of its people across the country. We have an inflation rate which is one of the highest of any country in the industrialized world. This budget should have started to redistribute some of the wealth, and incomes, from the rich to the less fortunate, and should have taken steps to plan the economy so that all Canadians might share equally in the wealth this country possesses.

We in our party believe in co-operation through a planned economy, rather than in the ad hoc proposition of the so-called corporate free market. I believe the time has come when people, through the various levels of government, and through their various community and work associations, should exercise the power of planning and directing the economy, and should take it out of the hands of those in the corporate boardrooms where it has been for the past 100 years.

I think that the gap between the rich and the poor has widened in recent years since this government took office. Regional disparities have increased, and foreign domination of our economy has intensified. To me this is a natural consequence of an economy dominated by foreign and large corporations. Our party believes that the only way to reverse that trend is to take the decision making away from those in the corporate sector and give it back to the people, where it belonged in the first place.

Our monetary and fiscal policy must be independent. I think the hon. member for Don Valley (Mr. Gillies) referred to this recently in the House. The aim in this country must be to improve the quality of life and economic well being of the average and less fortunate Canadian.

I suggest that Monday's budget is typical of past budgets in that it fails to give any direction in respect of providing us with new approaches. The government fails to realize that the world economic situation is more dangerous now than at any time since 1929. The United States admits it is in a recession, with a growth rate not much above zero. Britain, Italy, Japan and other industrialized states face very serious problems that will cut down on their ability to purchase goods from us. Coupled with this is the fact that we have inflation, which will almost certainly continue at a very high level around the world for the immediate future.

What does the government provide? It is not going to wrestle with inflation. The minister has provided nothing at all. All he does is repeat the old clichés to the effect that our inflation or unemployment rate may be better than that of country X, that he is concerned, and that the west should have its place in the sun. But the government will not intervene in the so-called free market place, and is afraid to allocate resources and funds to improve the lot of the average Canadian. It relies on incentives to wealthy individuals and corporations in the hope that they will provide the jobs and guide the economy of all Canadians. I believe that that does not work.

● (1610)

Our party believes that the most effective and humane way to create jobs and strengthen the economy is to

provide incentives to the lower and middle income people, to give to people at the bottom of the scale the proper type of income so that they can purchase goods and provide food, clothing and shelter for their families. I believe that the government is not taking that approach in this budget. I will go over a few things that are in the budget that our party considers to be gimmicks and to be regressive.

First of all, there is the registered home ownership savings plan from the budget of last May. It is a $1,000 annual tax write off for people who can afford to put $1,000 into a savings plan on an annual basis for the purchase of a home, or to purchase furniture with which to furnish that home. It is obvious that any statistician or economist will tell us that people who take full advantage of that will be the wealthier people in our society, and not the low income people about whom we should be concerned.

Second, there is an exemption for the first $1,000 of interest income, that was also in the budget last May. This has been extended to include dividend income, or a combination of dividends and interest. Who will take advantage of that provision to its fullest extent? Once again it will be people who have substantial investment portfolios, not the little old lady in Toronto, the workman in Winnipeg, or the farmer in the maritimes. This, too, is a regressive step. Funds that are spent on these types of programs would be better spent on programs of tax credits for all Canadians, starting at the bottom level and stimulating the economy where I believe it should be stimulated.

Third, there is the provision for exempting the first $1,000 of pension income other than universal pensions paid for by the government. In some cases we are helping some people who, I believe, have not received a fair deal. But again it is only fair to point out that in the work force today only 30 per cent of the people who are working contribute to private pension plans.

Finally, there is a new provision to exempt from income tax funds used to build apartment blocks or apartment units. Who in my riding, or in any riding, will be investing money in apartment blocks? Again it will not be the ordinary citizen. It will be the doctor, the speculator, the lawyer or the dentist—those who have money to invest in apartment blocks—not the ordinary citizen.

This is the type of direction in which we are going in the budget. There might be more money going into apartment blocks, but who else will write it off in income tax but the wealthy people of this country? So what do you have for the average citizen?

There is the continuation of the 5 per cent tax cut from 1973, with a minimum $100 cut and a maximum $500 ceiling, and an additional $50 cut for 1974. That is the only thing there is in the entire budget for the low income person. Second, there is an additional $50 in 1975 which will raise the minimum tax cut to $200. The rate will go up from 5 per cent to 8 per cent, and the ceiling will also go up from $500 to $750.

Again this is a regressive step. When you lift the ceiling to $750 here you look at families that have incomes in the $30,000, $40,000 and above category, rather than the average low and middle income salary in this country. Almost all measures in this budget are regressive and will not help the ordinary person.

I want to illustrate what I mean by taking three typical Canadian families and trying to figure out what kind of tax saving they would have as a result of the budget. The families will consist of a man, his wife and two children under the age of 16, in all three cases in three different income brackets.

First there is Bob, a maintenance worker in Winnipeg. He has a salary of $8,000 to support himself, his wife and two children. He has no tax savings at all through various gimmicks such as the registered home ownership savings plan, and the other plans and gimmicks brought down in the budget. The only saving he will have will be the basic $50 tax cut provided by the minister in 1974. In 1975, on a salary of $8,000, he will save another $50, for a tax cut of some $100.

Now we come to the second Canadian, Richard, who might be a sales representative in the city of Halifax or Toronto. Again he has a wife and two children and lives on an income of $14,000, an average middle income person in Canada. He is probably living in an apartment, and with the cost of living as it is today he cannot afford to buy a house. Therefore he cannot save anything under the registered home ownership savings plan. He probably has savings. Let us say he receives $100 a year in interest or dividends on his savings. In 1974 he will save $133, and in 1975 $183 under the budget that was brought down on Monday.

Now we come to the man in whom the Minister of Finance is interested. He is a wealthy Canadian, whom we will call John. He is an executive living in Toronto, a management consultant, and is earning $40,000 a year. John has been very lucky. He has an investment portfolio, and he gets about $2,000 in interest and dividends that he can write off in part because of the budget. John might decide to move out of his swanky apartment and buy a swanky house, so he can take advantage of the registered home ownership savings plan. In the taxation year 1974, because of Monday's budget, John will be saving $1,120 because he has a high income.

As if that were not all, John also heard on Monday night that he can now invest money in apartment blocks and apartment units. So he has a meeting with his investment club and they decide that, for the taxation year 1974-75, they should take advantage of the capital cost allowance provisions and invest in an apartment block. He invests a lot of money in it, and he has an additional tax exemption of $4,242, which he can calculate in his taxation. The other provision that takes effect in 1975 is the 8 per cent tax reduction ceiling. It goes up from $500 to $750. In 1975 the tax saving for John will be $4,492. That is more than the gross income of many people in my riding, and indeed of people in all parts of this country. While the ordinary worker will save $50 or $100, the wealthy person can save $4,000, $5,000 or $6,000 quite easily.

Then what happens when it comes to the pensioner? I do not think we need to say that there is nothing in the budget for pensioners, no increase in the basic amount, and none of those incentives that the Minister of Finance bandies about in the House. All the measures before us will widen the gap between the wealthy and the have nots

in this country, a gap which has been increasing in the last decade because of the rule of the Liberal Party.

I want to go over a few statistics which I think should be on the record, and should be of concern to us all. I will take the income figures for families and individuals in 1965 and in 1972. In 1965 the bottom 60 per cent of Canadians earned 34.2 per cent of the income in this country; the top 20 per cent earned 41.4 per cent. In 1972, some seven years later, the bottom 60 per cent saw their income drop; they made only 32.2 per cent of the national net income, while the top 20 per cent earned 42.9 per cent. Again there is a widening of the disparity during the years of the so-called just society.

When you come to the wealthy, the figures are even more startling. The most recent figures we have for wealth are for 1970. The top 50 per cent of people, families or individuals, own 93 per cent of the wealth of this country; the top 10 per cent of people, families or individuals, own 41.8 per cent of the wealth, and the top 1 per cent, many of them friends of the Minister of Finance, own 12 per cent of the wealth of this country. Is that the just society, Mr. Speaker? Is it a step toward equality? I say it is not and, as the hon. member for Oshawa-Whitby (Mr. Broadbent) comments, it is just for the rich, but we see it continued in the budget that is before us today.

● (1620)

When you look at the comparison between the corporate and the individual tax bill you find that over the last ten or 20 years individuals have paid more in taxes, and the corporations have paid less. In 1950 individuals paid 27 per cent of the tax bill of the federal government and corporations 28 per cent; in 1968-69 individuals paid 34 per cent of the taxes and corporations paid 20 per cent; after five years of the just society the individual tax bill went up again, and in 1973-74 they paid 41 per cent of the taxes and corporations paid 18 per cent.

That trend is continued in the budget before us today, which gives even more write-offs and incentives to corporations. The two year write-off has been extended indefinitely, although it was supposed to run only to the end of December, 1974. The minister was supposed to review the effect of that fast write-off for the House, but we have not seen that review. Why has he not been consulting us in this regard? The minister also said the fast write-off would cost $150 million, but I suspect it will cost much more than that.

The Minister of Industry, Trade and Commerce (Mr. Gillespie) has talked about an expansion of billions and billions of dollars for manufacturing and processing. If this is so, how can the fast write-off cost only $150 million? The Minister of Finance should come clean about this. In the last year or two, industry has earned very high profits and there is no reason why it should seek to have the write-offs extended beyond the end of this year.

Then there was the phony gimmick of the 10 per cent surtax on corporate incomes. But an examination of the budget information shows that almost all corporations are exempt from that tax. This can be found on page 20 of the supplementary information provided with the budget. The surtax will not apply to manufacturing or processing profits, to petroleum or mining profits, Canadian controlled private companies eligible for the small business deduction, to investment, mortgage investment, to mutual funds, to non-resident-owned investment corporations, or to the investment income of private corporations. Who in the devil does it apply to, Mr. Speaker? Is it just a gimmick to try to make people believe that the minister is concerned about profiteering in this country?

As a change from the May budget the minister has provided an abatement of five more tax points to the oil companies, beginning in 1975 and 1976. Then the minister offers a write-off for exploration costs of 100 per cent. That was supposed to be reduced to 30 per cent in the May budget. I wonder why that is being done when the profits of at least Imperial Oil and Gulf are so high.

Finally, the minister has gone ahead with the non-deductibility of provincial taxes and royalties. This was done without consultation. An agreement was made with the oil producing provinces earlier this year, but that is now broken and we can expect difficulties as a result. It strikes me as strange that the minister would disallow taxes paid to a provincial government by oil companies. The provincial governments on behalf of the people own and husband the resources. At the same time the minister allows exemptions for depletion, fast write-offs, write-offs for exploration and development, for entertainment, and almost anything else. When it comes to a provincial tax or royalty, however, he does not allow a company to write that off as a legitimate expense.

A company can claim a royalty to the CPR, or a royalty to any nation in the world as a legitimate expense, but when it comes to the people of Saskatchewan or Alberta the minister is concerned that they are getting too much maney. I suggest the minister has broken an agreement and it is not surprising that the premiers of those provinces are unhappy with the budget.

The minister has also broken his word to Saskatchewan regarding equalization. He told the provinces that if the additional oil funds went into capital funds they would not be equalized, but all of a sudden in the budget he proposes to equalize one-third of those funds. That will cost Saskatchewan $36 million to $40 million this year, Mr. Speaker, according to the minister's department and to the provincial department of finance. This just should not happen in a country where there is supposed to be a consensus, where there is federalism. The minister strikes me as one of the new Godfathers of Confederation. He broke an agreement that, after a great deal of bargaining was signed and put into effect.

In this country there are all kinds of handouts. A few years ago the Carter Commission said that gas and oil companies paid taxes on only 7 per cent of book profits, and mining companies paid something the same. Now the government is asking us to give more concessions to gas and oil companies.

The time has come for us to say that exhaustible and depleting resources should be owned by the people and used by them as public utilities. In most provinces the hydro is publicly owned, and the government should be encouraging the moves of Saskatchewan and other provinces toward public ownership and control of non-renewable resources. Instead, the minister has threatened, at a press conference, to impose a tax on provincial Crown

corporations if these resources are put under public ownership. That is the heavy handed approach of 1984, Mr. Speaker, and should not be considered. A quicker move toward public ownership and control of exhaustible resources would be better for the people of this country, and the minister should not impede any such action.

A couple of other things in the budget warrant comment, Mr. Speaker. A major part of it dealt with housing. We all know that housing starts are down from 269,000 in 1973 to an adjusted figure of 173,000 in 1974. This is due to excessively high mortgage rates and the inflated cost of land and building materials. A new home is now out of reach of most middle and low income Canadians. The slowdown in the housing industry is causing lay-offs in the lumber and forest industries in parts of the country. Despite those facts, however, what does the budget offer to the person who wants to buy a home?

First of all, the minister says that person can have a $500 home builder's grant. As the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) said the other day, giving a grant of $500 for building a house nowadays is like throwing a peanut to a starving elephant. It means nothing.

Second, there is the registered home ownership savings plan. I have already commented on that.

Next there is the lowering of the sales tax on building materials, but with no mechanism to monitor whether that saving will go to the home builder or the consumer. Often any potential saving is gobbled up by the middle man in the private sector. My party has always supported the removal of the sales tax on building materials, but only if the saving is passed along to the home builder, or if he is given a rebate in the form of a tax grant. The tax saving should not filter back to the private entrepreneur.

● (1630)

We should treat housing as a social right and remove it from the private, speculative market. The minister has not done this. Instead, by allowing private entrepreneurs tax exemptions on certain income, no matter what its source, he hopes to encourage the building of apartment blocks. The owners will probably charge usurious rents, and tenants will be without protection. That being so, I say that housing should be considered as a social right, in the same way as education and medical care are treated as social rights, and should not be left to the vagaries of the private market or in the hands of the private entrepreneur.

We should pump hundreds of millions of dollars into subsidized public housing, to make life tolerable for low income people. Banks, financial institutions and insurance companies should be told that they must allocate a certain part of their investment capital for mortgages, at interest rates as low as, say, 6 per cent. The government has not done this. We must do it if we are to treat housing as a social right equally available to each and every Canadian.

Other members of my party will comment on other aspects of the budget during the budget debate. I am concerned about the cost of living and about the failure of the Minister of Finance and of the Minister of Agriculture (Mr. Whelan) to wrestle inflation to the ground. The budget does not attempt to do that. It contains nothing of benefit for the ordinary citizen although inflation continues to run at between 11 per cent and 12 per cent a year in Canada. The minister predicted that inflation would run at about 10 per cent, and the current level of unemployment is probably higher than last year's level.

The time has come for the government to control inflation in this country. We should establish a prices review board, with expanded jurisdiction to review all prices and price inputs, and with power to order the rollback of excessive profits or excessively high prices, which I am sure the board would reveal.

We must also extend the two-price system, which presently applies to wheat, oil and copper, to all basic commodities, including iron ore, steel and lumber. Only by doing such things can we hope to ease the rate of inflation in this country and insulate ourselves from international inflation. This we are not doing at present.

I notice that the budget does not deal with agriculture. The word "farmer" does not even appear in the budget speech. We all know of the difficult time the beef industry is going through.

Mr. Gillies: The difficulties were created by the government.

Mr. Nystrom: And we know of the difficulties that cow-calf operators are going through.

Mr. Gillies: Again, these are difficulties created by the government.

Mr. Nystrom: The Minister of Agriculture gave this House a commitment that the government would soon establish a policy for beef. Where is the policy? What has happened to his commitment? The budget ought to have included a financial commitment to keep the beef industry, including the cow-calf industry, healthy and in operation. Further, the budget does not mention allocations of funds for a farm stabilization program, and does not mention increased aid for countries whose peoples are starving.

It is wrong for the government not to contribute at least 1 per cent of our gross national product in foreign aid and not to contribute food from Canada to the peoples of the world who are starving. There ought to have been such a commitment in the budget; its omission is immoral. We are being immoral if we do not produce as much food as we can to help needy people in this country and the millions who are starving all over the world.

My colleagues will elaborate on my party's position as the budget debate continues. In view of the shortcomings of the budget, a budget which is not of significant benefit to ordinary people, and in view of the continued rise in the cost of living and continued handouts to the wealthy and to the corporations of this country, I wish to move a subamendment to the amendment proposed by the Leader of the Opposition.

I move, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That the amendment be amended by changing the period at the end thereof to a semicolon, and by adding immediately thereafter the following words: "and for failing to provide any significant tax benefit for low and middle income Canadians while granting unwarranted tax concessions to upper income Canadians and corporations."

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have no intention, in the course of the present debate, of enlarging upon the voluminous contents of the budget for the fiscal year ending March 31, 1975. We will have the opportunity, in the course of coming debates, of analyzing the credits of the various departments. I do not want to waste too much time on that mess of figures, but would like instead to keep to economic considerations which we cannot always deal with during the other debates.

That is why, Mr. Speaker, I am pleased, during this budget debate, to invite the hon. Minister of Finance (Mr. Turner) to leave the beaten path, for a change, and set Canada on a financial path other than the one we have known, and especially the one I have known in the last ten years that I have listened to the various budgets brought down before this House.

Mr. Speaker, to my mind, the budget of a nation is its most vital administrative tool, for it represents the eventual economic development of a whole nation. The Canadian Minister of Finance says yes or no to all that can be done economically for the good of the Canadian people. All the departments are dependent on the financial conditions created by the Department of Finance, for they dominate all others. Only dreamers say that finance is not important; the realists know that to accomplish something, finance is required; otherwise, dreams will always remain dreams.

● (1640)

The Minister of Finance is therefore entirely responsible for stagnation in Canada, the progress or financial setback of each department and consequently of Canada as a whole.

Each morning in a business firm, the accountant or general manager opens that vault to take out the accounting books, the invoices, the cash box, the bank books and everything required for the satisfactory administration of the business in order to take the essential decisions. If the accountant, the general manager or the Minister of Finance, instead of taking the necessary decisions in due course, keeps explaining why the business is at a standstill, saying that competitors and other people are to blame, it is because he is incompetent. If he keeps saying that the business is deteriorating, it is because competitors are underselling him and that is yet another indication of incompetence. When the director of a company keeps imitating his competitors, it is because he is incompetent.

It is the same thing for a country. Unemployment is not to be blamed on others, but on ourselves. Inflation is not to be blamed on others, but on ourselves. Epidemics of bankruptcies are not to be blamed on others, but on ourselves.

Economic regression, such as we are now witnessing in Canada, is not to be blamed on others, but on ourselves. When the Minister of Finance of a country keeps throwing the blame for our troubles on others, then he must be incompetent or unable to act in that he is bound by forces which command him to act against his own competence.

Blaming foreign conditions for what is happening in Canada, as the Minister of Finance did in his budget speech when he referred to inflation, is indeed the easiest thing to do.

Maybe in the next budget we shall blame some unidentified outer space beings for interfering with and disturbing things on our planet as an excuse for our own blunders. Blaming others only enhances our incompetence or inability to act.

The Minister of Finance should exercise 100 per cent control over the country's finance instead of being controlled by the country's financial forces. Why is the Minister of Finance always trying to defend the present government which keeps bringing him everything he does not want? For it is indeed because of the present financial system that the greatest inflationary pressure ever in Canada has been occurring. The present system is indeed the reason for the deficit of our balance each and every year. In 1961-62: $791 million; in 1962-63: $692 million; in 1963-64: $619 million; in 1964-65: $38 million; in 1965-66: $39 million; in 1966-67: $422 million; in 1967-68: $795 million; in 1968-69: $576 million; in 1969-70: $393 million; in 1970-71: $370 million; in 1971-72: $750 million; in 1974-75: $1.5 billion. The present financial system is actually responsible for a taxation system which accounts for the fact that over 50 per cent of all revenue is siphoned off by various levels of government. It is indeed because of our present financial system that the worst unemployment crises always occurs in peacetime. Indeed, because of our present financial system, the wealth can be distributed among the people only under the condition of waging war. Again because of our present financial system, we experience an economic recession; it is only the beginning. And yet Canada has been built with courage, confidence, hope and dreams about the future that are all melting in the pot of the inflationary financial system the Minister of Finance is happy to defend.

In his budget package, on page 1 of the Highlights brochure, the minister refers to a prudent economy policy, instead of a buoyant economy policy. Reference is also made to inflation and a slowdown in growth instead of reduced cost and increased industrial activity.

Further down, the minister says there should be an attempt to sustain demand. So he is not sure. He says there should be an attempt, instead of stating that demand should be increased. Further down, I read that rising expenditures should be kept down, but in the same breath announces a deficit of one billion and a half dollars. He spends one billion and a half more than the amount of revenues. He says one thing and does exactly the opposite. Surely this is the utmost in inconsistency. Special attention should be given to the weak point in the economy, says the minister. But in such an economic chaos, the Minister of Finance should have realized long ago that the weak points in the economy all point to a basically unbalanced monetary system, which entails structural faults and weaknesses.

With his economists, the Minister of Finance is inspective the roof of the present financial structure in an attempt to repair it instead of working at the very foundations of our monetary systems which cause all those faults. He calls them weaknesses in our economic system.

Our continuing economic troubles have their direct cause in our monetary system, but the Minister of Finance takes his time before repairing the cracks. His economist advisers will blame everyone else but the national system, but the Minister of Finance will listen to nobody else. He will go on fooling around, with the same results. Because economists keep on producing the same causes, he will go on repairing the same results of the present financial system, an obsolete one, without ever going to the roots of the evil.

The cause of all the economic unrest lies in our present financial system, but the hon. Minister of Finances has never dared to propose a financial or monetary reform. He accepts the present monetary and financial system as a fait accompli, as if it was a divine creation. He seems to consider that our monetary and financial system should never be changed or improved.

However, everything has changed in terms of techniques, in terms of science, in terms of producitivity and this is true in every area. Progress and changes follow one another and are necessary but the hon. Minister of Finance maintains the old and vicious monetary system of the 19th century and does not even dare to make changes as the authority of those who control credit instead of the government is such that one is even not allowed to question the biggest racket in the history of our supposedly free world, this racket by which our credit remains in the hands of a private or banking monopoly which today controls also our monopolized production system. In Canada, our goal is not the free production system anymore. We live in a monopolistic production system. The free enterprise system means in the 1974 context that monopolies control our production. Private enterprise has disappeared because it was stifled by monopolies with the help of governments and today we live in a free enterprise system. If we are to go backwards, toward the best production system in th world, private enterprise, we must first, Mr. Speaker, create a National Credit Board. All kinds of boards have been created up to now, but the more important one in our situation of inflation would be a National Credit Board so that credit would be at the disposal of society and not society at the disposal of credit as it is presently the case.

Once credit is at the disposal of society, monopolies will no longer be able to strangle others through credit, as was so often the case in the past, when many private enterprises went under the control of monopolies which are in turn controlled by the chief of them all, the credit monopoly.

I hope that the Minister of Finance will read again tomorrow this part of my speech to find out how such a National Credit Board could operate. Its main function would be, first of all, to maintain the volume of money and credit in circulation at a level where the whole population could buy at fair prices all goods which are offered on sale and this, without any risk of inflation or deflation.

Mr. Speaker, as long as there is no National Credit Board, people will juggle with prices. The lack of purchasing power in relation to production will become increasingly obvious.

It would provide the Bank of Canada with the necessary credits for its administration, and the credits needed by municipalities and school boards in general, and by all the developments requiring joint capital, provided there are production possibilities and needs. The loans would have to be paid back to the extent of the depreciation of the corporate capital thus created. Finally, it would allow the reduction and eventually the clearing of the public debt. The Minister of Finance has said nothing in his budget speech, did not have a word about the lowering, the disappearing or eventually the payment of the public debt.

The duties of the Commission would include establishing an accounting system indicating the assets and liabilities of Canada, the appreciation or depreciation of goods and services, using for this purpose the services of the existing numerous statistics offices or those which would be established, in order to measure at regular intervals the increase in real wealth in Canada and the additional amount of buying power which would have to be distributed corresponding to the real increase in the wealth thus generated.

When the economic stability is insured through a balance between productivity and consumption by means of a production-based credit which will enable production to meet consumption at all times, then and only then the present economic defect shall disappear whereby the distribution rate of the purchasing power for a certain product is always less than the total cost of pricing which creates a constant and cumulative lag between total costs, that is prices, and incomes, that is the purchasing power. The economic unbalance is fundamentally caused by pricing and that unbalance is inflation.

Mr. Speaker, this Minister of Finance or his predecessors should have fired a long time ago the economists around them whose job is to protect the present system, because they are at the service of the people's exploiters who have paid for the establishment of the London School of Economics where economists are trained in large numbers in order to make sure that their system is maintained. In this so-called place of high learning, the London School of Economics, they are taught how to mend the holes of the present financial system and they are brainwashed not to look for economic and social wrongs in the monetary "basement" controlled by their bosses who thrive on the perpetual debts of Canadians and others.

Mr. Speaker, given the economic realities of 1974, this budget is the sign of financial incompetence, perhaps not directly on the part of the minister but certainly on the part of his economists.

In this budget, the government shows a great nervousness towards the future, because it already feels that the "basement" of the economic structure of Canada is unsteady, and indication of a government that does not know where it is going and feels that recession already has a stranglehold on the country.

● (1650)

This budget is evidence that the finance minister may have good intentions, because in trying to avoid a worse evil, an economic recession, he proposes measures that are to the people who are writhing under inflation no more than Lazarus' drops of water on the tongue of the bad rich man in hell.

Mr. Bussières: We are now hearing words of Revelation.

Mr. Rondeau: This budget which is too little too late will not prevent the worse, because it is already too late. The flames of finance and inflation will burn down our economic structures and the feeble stream of water from the small hose with which the finance minister is fighting them will in no way slow the blaze of recession. As a people, we shall pay for our folly and that of imbeciles such as the hon. member for Portneuf (Mr. Bussières) who has never, since he has been sitting in the House, been courageous enough to stand up and say out loud what the people in his riding think.

Mr. Bussières: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: Order. The hon. member for Portneuf on a point of order.

Mr. Bussières: Mr. Speaker, while listening to some imbecilities, I should like to recall that I have had the opportunity to rise in the House and speak, but since the member who has the floor was always absent, he could not possibly know that.

Mr. Laprise: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Abitibi on a point of order.

Mr. Laprise: Mr. Speaker, each time a member of the opposition is rising either to ask a question or to make a speech in the House, the hon. member for Portneuf is jabbering to himself in his corner. It might be interesting to send him to a psychiatric hospital for examination to know really what is the matter with him.

Mr. Bussières: On a point of order, Mr. Speaker. I think that unless—

Mr. Deputy Speaker: Order. Unless the hon. member wants to rise on a new question—We can hardly transfer the Chair at the other end of the House to watch closely the interventions. I would invite hon. members to allow the member who has the floor to carry on with his remarks without too much trouble. The hon. member from Shefford.

Mr. Rondeau: Mr. Speaker, I should like to mention that if the doctor does not find anything wrong with the hon. member who has just interrupted me, we should have the doctor examined.

Mr. Speaker, we, as a people, will pay the price of our stupidity as all other people have down through history because every action calls for a reaction and that is a natural law. We cannot pay the western farmers to let their land lie fallow without provoking a reaction. There will be a day of reckoning for all human stupidity. We cannot put a limit on the milk quotas for the eastern farmers as we have done for many years without getting a reaction and we will pay for that. We cannot destroy 28 million dozen eggs without getting a reaction and we will pay for that. We cannot destroy potatoes by the millions of bushels for years and, at the same time, pray the Good Lord every Sunday to be so kind as to bless the fruits of the earth. The reaction is coming and we will pay for our own stupidity. We cannot hang calves sky high, with their heads to heaven, to protest against prices without getting a reaction. We will pay for our stupidity. Prices are the result of man's good or bad management. The animals in the forest, in the jungle or in the wilderness live off the fruit of the forest provided by nature. Unfortunately they often have a lesson in logic to teach man. The beavers build their dam across waterways without borrowing, without debt or taxes and they do not pay the price of three of four dams to other financial beavers to finance their project. Men, however, through sheer pride in their talent, also build dams which they must repay three or four times over, if not forever, to other men to whom they are indebted for financing the construction of the dams. Beavers build without debts, without taxes, without loans. Men can only build with debts and taxes. That proves, Mr. Speaker, that beavers work more intelligently with their tails than the Liberals in power with their heads.

The Minister of Finance is trying his best to convince himself and us that the present system is good while at the same time bewaring of the economic discomforts that have already emerged. Inflation cannot be stopped, he says. Recession, we will try to avoid, he says.

Indeed, Mr. Speaker, if I had a general manager of my businesses telling me the same thing I would not risk waiting for the worst, even with a smile. I would be forced to change the Minister of Finance.

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, having the honour and the privilege of being the lead off speaker of the government on the budget speech my opening words will be first for the right hon. Prime Minister (Mr. Trudeau), first to thank him for having placed his confidence in the people of his country during the election of July last and for having offered the people of this country a choice so representative of men and women among the social groups that make up this country and a choice so representative of the age groups that make up Canada.

As you know, Mr. Speaker, a remarkable number of young members are now sitting in this House, and I realize that the responsibilities facing them are extremely heavy responsibilities in view of the present economic situation.

I would also like to pay special tribute to the Minister of Transport (Mr. Marchand). As some of my colleagues sitting on the other side of this House, I was fortunate enough to enter politics with ministers who bring credit to the government of this country. Mr. Marchand is well known in Canada for his sense of aggressiveness and his involvement to ensure that all Canadians have equal access to the resources of this country.

Finally, I would like to note that the seat I now occupy was once the seat of Mr. J. Antonio Thomas, who was a member of this House for nine years and left in his constituency a lasting impression of generosity, of tenacity and especially of honesty. In fact, this man gave an example that several among us should follow in that the member of parliament, in today's context, should be a true

social worker, maybe even before being a representative in Parliament.

Indeed, several among us have to deal daily with a population that requests services, and needs easy channels to communicate with the government whose administration, as we all know, is getting ever more complex.

On the other hand, I would like to comment on certain remarks of the previous speaker who severely criticized today those who studied at the London School of Economics.

Like the leader of the New Democratic Party (Mr. Broadbent) and the right hon. Prime Minister (Mr. Trudeau), I am a graduate of the London School of Economics, and I can assure you, Mr. Speaker, that the teachings of this school are not such as described by the previous speaker. On the contrary, if he had asked more questions of the groups who have already taken part—

Mr. Rondeau: On a point of order—

Mr. Deputy Speaker: The hon. member for Shefford rises on a point of order.

Mr. Rondeau: Will the hon. member allow a question?

Mr. Joyal: Mr. Speaker, I shall certainly be glad to reply to all the questions that the hon. member wishes to ask once I have finished my comments.

I would however like to note also certain comments of the leader of the opposition (Mr. Stanfield) who said this afternoon that members from Quebec were particularly silent and did not really defend the interests of their province.

● (1700)

In fact, Mr. Speaker, the present economic situation in Quebec shows disquieting signs generally and in some areas, they are really disappointing. The population in Quebec has not grown satisfactorily compared to neighbouring provinces. The birth rate has dropped by half and for the first time since the end of World War II, there was a net immigration in 1970 and 1971. In 1970-71, there was a net immigration of 382,000 people in Ontario compared to 75,000 people in Quebec. For the first six months of 1974, 29 per cent only of immigrants are French speaking.

The second sign I am concerned about, Mr. Speaker, is the difference between the individual incomes in Quebec and those of other Canadians. In fact, far from decreasing, it has even increased.

The increase in the Quebec labour force in the last ten years is below the Canadian average. Indeed, Quebec's share in Canadian employment is slightly below its share of the population, which accounts for a higher unemployment rate than in Canada as a whole. Further, the quantity and quality of available capital has been below the national average.

Investments grow faster in Quebec than in Canada only in the primary industries, the institutions and the public sector. Despite recent improvements, the growth in the manufacturing industry, trade and utilities is still too low compared to the country as a whole. Productivity per employed person is still lower in Quebec than in the rest of Canada. The main reason for a slower growth in production lies in the very structure of Quebec's economy. Two-thirds of the Quebec labour force are employed in the production of non durable goods. All these meet essential needs, but they represent a rather stable market and especially a slow growth one. Sectors like the textile and the leather industry, which are important in Quebec, face stiff competition.

Demand from countries which have been traditional clients for Canada in this segment tends to stabilize, while nations that export these goods bring tremendous pressure to bear on the Canadian market in order to increase their exports. It should be difficult, Mr. Speaker, to balance such losses since the share of industrial labour in fast-growing industries, such as smelting and metal processing, transportation equipment, electrical equipment and machinery, is slightly more than half the percentage in Ontario. But the markets for Quebec goods are only half the size of those in Ontario, where the proximity of the American interline has considerable influence on the supply of goods produced in Ontario.

Because of lower production and revenues in Quebec, and differences in the production structure, the ability to pay tax per capita is lower than in Canada as a whole. Because of this, the tax burden is higher in Quebec and consequently heavier.

Quebec still produces only 61 per cent of its food needs. The Quebec farm production represents only about 13 per cent of the total Canadian production. In addition, some industries that are important to the economic structure of Quebec are in a very difficult situation. The lumber industry, for instance, has been heavily hit by lay-offs, in spite of a potential that could support twice its current production. Employment in the fishing industry is stationary. The mining industry is holding its own even though the depletion of resources is being felt in some areas. The manufacturing industry is also having problems.

The relocation of employees from hardstruck industries to expanding industries is slower in Quebec than elsewhere. Indeed, only the services sector has shown real signs of dynamic growth, both in employment and in production. Now, Mr. Speaker, if the economic forces at work in Quebec remain the same, we cannot hope to see any improvement in the situation in the near future. If present trends in the Quebec economy do not change, clearly Quebec will not be able to improve the quality of its participation to the national economic progress, nor will its resources achieve the degree of development to be wished for if the living conditions of its citizens are to improve.

● (1710)

Despite concerted efforts since the establishment of the Department of Regional Economic Expansion in 1969, it is essential for the federal government to give priority to the definition of measures designed to correct that structural shortcoming at the roots.

Moreover, Mr. Speaker, taking into consideration the report tabled by Messrs. Mountain, Higgins and Reno in 1969 on the growth poles of the Quebec economy, we realize that the Montreal region is experiencing a serious setback. Indeed, in most fields, the amazing progress of

Toronto leaves us pensive. I do not say so, Mr. Speaker, to point out that there is competition among Canadian cities, but to emphasize the fact that balance in a country is based on an economic growth which takes into account a degree of weakness at each pole.

As far as human resources are concerned, for example, employment in 1966 was 1 per cent in Montreal and 2.9 per cent in Toronto. As for financial institutions, the number of headquarters in Toronto has been increasing as follows: In 1952, for each Toronto head office, there were 1.2 per cent in Montreal. In 1972, this ratio increased to 1.67. Transport, an important economic factor in the Montreal area, is deteriorating. Toronto has become the leader in air transport, is first in trucking, has further shot ahead in railway and water transport. Montreal has now only 6 per cent of the Canadian shipping of general goods, as compared with 12 per cent in 1961 and 40 per cent at the turn of the century.

The Montreal manufacturing industry also dropped off. New investment in Montreal grew from $180 million to $371 million between 1961 and 1971. In Toronto, in the same period, they jumped from $168 million to $438 million. In the communications area, the rise of Toronto has been staggering. Computers number 772 while in Montreal there are only 549. The sales situation is clearer at the provincial level, with assets of 1,873 units in Ontario against 764 in the province of Quebec. Advertising agencies are established mostly in Toronto and are the ones who feed Montreal with contracts.

The growth in the field of telephone, telex and telecomputers bears evidence to the leading part that Toronto is playing over Montreal. In the material resources and building fields, there again a sharp decline. During that period, industrial building increased by 32 per cent in Toronto and declined by 15 per cent in Montreal. The rate of use of hotel rooms is now 55 per cent in Montreal and 66 per cent in Toronto. Mr. Speaker, I deliberately leave aside a number of factors that would only better illustrate my first remarks.

Therefore, I completely agree with the Minister of Finance when he mentions in his budget that we should constrain governmental capital projects in those parts of the country where conditions continue to be tight. This selective approach, said he, as well as our regional development policies, is especially important when the economic situation is so mixed with shortages continuing in many sectors and regions and surpluses developing in others.

Now, Mr. Speaker, the budget as presented also affects a vital segment of the Canadian economy.

My colleagues who spoke before me this afternoon pointed out the importance of housing. My colleague from Yorkton-Melville (Mr. Nystrom) even said it was a social right. Mr. Speaker, I am completely in agreement with that assertion. It is nothing new. As a matter of fact, in the report of the Board of inquiry on Health and Social Welfare, better known as the Castonguay-Neveu Commission, published in 1971, one can see on page 184 the statement on the following right:

> To recognize home ownership as a universal right therefore implies a direct action of the state on the whole housing industry, that today still depends almost entirely upon private entreprise.

As universal access to education and medical care required governments to assume their responsability in those areas, in lieu of private enterprise, so to acknowledge entitlement to housing as a universal right implies a similar need for direct intervention in housing services.

Obviously, Mr. Speaker, because of changes in our political philosophy, we have come to consider housing today as a government priority. Such a priority was reasserted in a report published in July 1974 by the Economic Council of Canada under the following title: "Toward a more stable growth in construction". Recommendation No. 7, reads as follows:

> ... we recommend that future low-income housing efforts be organized and funded so as to ensure a smooth growth path over a period of years, on a regional basis, independent of any swings in other residential or nonresidential construction.

There is no doubt in my mind, Mr. Speaker, that we have to separate housing, public housing, from the whole business of economic activities relating to housing in general.

The federal government has had various experiences in dealing with public housing since 1964. In 1970, a $200 million program was to be introduced to provide for the building of low cost housing units. That program taught us meaningful lessons. In fact, it was bitterly criticized, and most of the projects developed under that program experienced operating difficulties and the Central Mortgage and Housing Corporation had to take over in several instances.

Mr. Speaker, I should like to quickly go over the facts presently underlying the building industry. We know that in 1974, the number of starts has decreased alarmingly. In fact, it dropped from 266,900 units in August 1973 to 206,100 in August 1974. There are several causes to that slowing down. The first one is the rising cost of manpower, which rose by 9.9 per cent within 12 months. Another reason is the rising cost of building materials which rose during the same period by 10.7 per cent. Besides, the regulations which were introduced to control rent increases in some classes of rental housing also had the effect of slowing down the market. Moreover, the mortgage market also experienced hard times. Interest rates have gone up and the shortage of funds has been clearly felt.

Over that same period, business investments and investments in office buildings have grown considerably. In fact, Mr. Speaker, looking at it, that increase in investments is positively colossal. In the sole Montreal area, while investments in office building construction neared $2 billion, only 100 million were invested in public housing.

Mr. Speaker, I believe those figures speak for themselves, and we can realize the significance of housing at this time for the government.

A well balanced housing policy should have two objects in view. First, it should be aimed at preserving currently available units. the best way to do it is to pass, as soon as possible, certain regulations that would allow the Department of Urban Affairs to put a fund at the disposal of municipalities to encourage owners to renovate their dwellings in accordance with the National Building Code. This is the passive aspect of the policy, Mr. Speaker, in that it is aimed at protecting dwellings now available without increasing their number.

In Montreal, at least 15,000 units should be started to meet present needs. If this objective is to be reached, we shall bring basic changes to our housing concept. It is essential to establish a ceiling for land prices. In fact, in the budget speech, the Minister of Finance (Mr. Turner) mentioned a policy that would allow land owners to put back in the economic system their enormous stocks of land instead of waiting the effects of inflation before releasing them.

On the other hand, when it comes to skilled labour, the figures given by manpower reveal a surprising shortage. In fact, even with a relatively high unemployment rate, there is a shortage of skilled labour in housing.

In my opinion, Mr. Speaker, all the regulations concerning the proficiency certificate should be reviewed. When a young man gets laid off, the months of training he has accumulated are lost and he must start all over again when he goes back to work. He therefore loses his apprenticeship days and this has for immediate effect that young workers, which should normally constitute one of the main strengths of our economy, lose interest in the building industry.

On the other hand, as concerns building materials, I was very happy of the annoucement made by the hon. Minister of Finance concerning the reduction of the 11 per cent sales tax. Like my opposition colleagues, Mr. Speaker, I have for several years emphasized the effects of such a tax on the building market. I whole heartedly support the Minister of Finance when he states that the present situation allows this reduction. However, I wonder what effect it will have. In fact, like all my colleagues, I sincerely hope that the reduction will be passed on to the consumer and will not be pocketed by the contractor.

However, Mr. Speaker, Canada has a free-trade policy for building materials. I believe that it is time that this policy be reviewed and access to materials regulated. There again, Mr. Speaker, we are completed by today's situation to make an in depth review of positions that we have always believed to be immovable.

The economic effects of regulations aimed at controlling rent increases should also be reviewed. It is now impossible to judge if the tendency towards higher interest rates is caused precisely by this factor. Our sub-contracting system should also be reviewed. There is considerable outbidding by sub-contractors on the financial market. This outbidding has nothing to do with the cost of materials and manpower. It is caused simply by an increase in demand and there is no reason, Mr. Speaker, why the required regulations in this area should not be implemented.

I also want to deal with the cost of money for apartment buildings starts. This aspect is a most important one, Mr. Speaker. Tax concessions which might be granted to investors in joint housing should be re-examined in the near future. There could be loans, tax cuts, measures to stimulate investments primarily into that sector, forgeting for a while commercial and office space investments.

I would also like, Mr. Speaker, to draw the attention of the municipalities to a certain form of municipal by-laws. In today's context, the contractors are quite often responsible for sewering the land. The city supervises and approves. In my opinion, Mr. Speaker, a contractor making profits with such services should no longer be allowed to do so. The municipalities should be the sole contractor responsible for the installation of such services in new developments.

It would also be important that the Central Mortgage and Housing Corporation review its standards. I feel that the standard of 22 per cent of gross income is no longer in line with reality. The increase in salaries and household costs are such that the standards now applied by the Central Mortgage and Housing Corporation no longer reflect market constraints.

I would also like to point out, Mr. Speaker, the need to provide the Central Mortgage and Housing Corporation with a committee on the economic situation. Such a committee would allow the Corporation to adjust its policies and programs in line with market developments.

Finally, Mr. Speaker, I would like to stress the effects on the housing market in Quebec of an agreement passed in the month of July last between the Central Mortgage and Housing Corporation and the Quebec Housing Corporation. Under that agreement the Quebec Housing Corporation becomes the only implementer of housing policies in Quebec with the funds of the Central Mortgage and Housing Corporation. That agreement will have two effects.

In the first place, public housing is no longer owned by municipalities but by the provincial government. On the other hand, Mr. Speaker, I do not believe that the results will be achieved directly through the centralization of a bureaucracy that should remain at the citizens' level. I am perfectly aware that the provinces should be implementers of housing policy in certain areas, but I personally feel deep concern that in the present context we should no longer leave to other levels of government a responsibility that lies squarely and mainly within federal jurisdiction.

Finally, Mr. Speaker, I would mention one of the main features of the budget speech, and by that I mean the statement by the Minister of Finance that in the current inflation period, no group will use any measure of restriction unless they know other groups will do the same. Each group has a tendancy to protect itself against the highest rates of inflation it anticipates. In fact, Mr. Speaker, the minister of Finance is referring here to the inflationary escalation. In this context, groups in short are forced to protect themselves against whatever the economy can offer them. I recall that during these last few months we paid visits to food stores where the management had deliberately changed their prices even though they had been supplied with products at prices lower than what is now being asked for the same products on the market. I am anxious to see the hon. Minister of Consumer and Corporate Affairs (Mr. Ouellet) get the approval of this House on the bill which will limit excessive profits and impose drastic controls upon these double prices.

I would like in concluding to emphasize one of the most significant elements in today's political situation. It concerns all the social groups, the community organizations which are working out plans to protect themselves and to make the public aware of the needs of their membership. In recent years, we have witnessed the coming on the Canadian political scene of a variety of Canadian committees and community groups banding together to oppose

rent increases, to fight against price rises or even to fight against the nefarious effects of credit that some of my colleagues have discussed earlier.

● (1720)

Mr. Speaker, I would like to point out that each and every member of this House should be very much concerned about the fact that leadership in social policy reforms may not be provided only by the members themselves but also by these groups. I know, Mr. Speaker, that all kinds of abuses are being committed but I do believe that their aim is, in short, to improve the economic and social conditions of people with the same needs as their own. Personally, I am glad that the hon. Secretary of State (Mr. Faulkner), the hon. Minister of Labour (Mr. Munro), and the hon. Minister of Manpower and Immigration (Mr. Andras) have come up with policies which allow these groups to participate more in the preparation of government reforms.

Mr. Speaker, during the forthcoming debate, I will gladly receive any proposal which the hon. members opposite may care to submit on various aspects of the budget. However, I am very anxious to have it adopted as expeditiously as possible, so that people most in need may benefit as soon as possible from the tax reductions provided in their case.

[*English*]

Mr. Rondeau: May I ask the hon. member who has just taken his seat a question?

The Acting Speaker (Mr. Penner): The hon. member for Shefford (Mr. Rondeau) is seeking the floor for the purpose of asking a question. Is it agreed that he be granted this permission?

Some hon. Members: Agreed.

[*Translation*]

Mr. Rondeau: In view of the fact that the hon. member said in his early remarks that he attended the London School of Economics, could he tell us who launched the financing of the foundation of this school?

Mr. Joyal: Mr. Speaker, I have a great respect for those who presided over the foundation of the London School of Economics. When they contributed to collecting the funds which were necessary for the establishment of the school, they clearly indicated in the constitutive charter that one of the priorities of the school should be to promote the interest of the less favoured in England, particularly coal miners and textile workers.

I do not think, Mr. Speaker, that the hon. member for Shefford is taking into account the direction this school took when referring to the funds which enabled its establishment. In fact, had he himself sat on the benches of this school, he would have realized that it actually formed the most progressive men in England.

[*English*]

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I did not expect this afternoon to be participating in a debate on the rights and wrongs of the foundation of the London School of Economics. Nevertheless it was very interesting and elevating.

From present indications, with one notable exception, it appears to me as though this budget debate consists of a litany of shortcomings, broken commitments and Liberal failures to face their responsibilities. Would that it were otherwise, but I will add mine to the list, speaking from some experience. Let us take consultations, for example. Liberal consultations, as we have seen them in this budget speech and in the budget of May 6, were a sham. I speak of consultations—and we might cite them by the hundreds—about Pickering, Ste. Scholastique, Vancouver airport, and Victoria airport. The gesture of consultation is there, but the decision is made before the consultations are undertaken, and the steamroller goes on, Mr. Speaker.

My concern this afternoon, however, is less with the sham of Liberal consultations than with the lethargy, apathy or straightforward inactivity of the government in the face of problems pressing on the Canadian people: inflation, housing, excessive government expenditure—and that comes into a number of categories—or even such mundane matters as the tanker route.

Since as long ago as the time when I made my maiden speech, almost two years ago, I have been urging the government to take action on the West Coast tanker route. I kept up the pressure by well placed and pertinent questions. I tried to be constructive, but all to no avail. I consider the matter sufficiently important, Mr. Speaker, that I feel compelled to go over the ground once more and bring together in one place the dangers, needs, proposals, advantages, and the means of attainment.

● (1730)

When I first addressed this House in my maiden speech of February, 1973, I spoke about marine services in all aspects.

Mr. Turner (Ottawa-Carleton): We will never forget it.

Mr. Munro (Esquimalt-Saanich): I am afraid the government has forgotten many things. The fact that I spoke of it at that time should not be a surprise, given my background with coastal command during the Second World War, my service abroad, the location of my riding and my home.

When I am at home I look out my front windows on a part of that inland sea which embraces Puget Sound, the HARO Strait and the Gulf of Georgia. If I were not to live in the Saanich part of my riding, as I do, but in the Esquimalt part, I should look out on a body of equally well known water, the Strait of Juan de Fuca. One way or another I am surrounded by a very important body of water, jurisdiction over which we have still to determine according to replies to some of my questions lately. I think this is open to discussion, however.

My concern with these matters is therefore quite natural, and furthermore is sufficiently broad to include fisheries, pollution, delimitation of inland waters as well as the means of enforcing regulations affecting those vital areas, that is, a realistic coastguard, in other words, a maritime protective service.

My experience in parliament, a matter of not quite two years, has shown me that to deal with a subject once in debate is not really sufficient. However reasonable and sensible one's ideas may be, they have to be repeated time and time again, particularly with this government, before there is the slightest indication they have begun to sink in at all.

I have always thought it unfortunate that parliamentary delegations on assignments abroad are not provided with an automatic opportunity, under the rules of the House, to report on the outcome of their assignments or, better still, to open up debate on the outcome of their visits. I tried to do this on July 25, 1973, the day following a visit to Washington by a small all-party delegation from this House, of which I was a member, to let people in the United States Congress know how deeply concerned we were about the dangers of the proposed west coast tanker route from Valdez, Alaska, south through the Pacific into the Puget Sound, through the Strait of Juan de Fuca, and then via the Rosario Strait to Cherry Point for offloading. My interest was prompted because of the location of my riding, and also because of the notion I put forward at that meeting which, in my view, has not only regional but national impact. Since I still feel that the proposal I made in Washington is worth recording I propose to repeat it now.

First, I think one or two things about the Alaska-Cherry Point tanker route that prompt my worry and concern are worth mentioning, considering the inactivity of the government to do anything about the matter. One is that ships carrying Prudoe Bay crude from Valdez to Cherry Point can travel the entire route over a combination of U.S. waters and the high seas. That is to say that passage through the Strait of Juan de Fuca can be negotiated without entering Canadian waters. Canada's ability to block, or even to regulate or control ships plying these waters is, in other words, nil. Our negotiating position on the question would appear to be negligible. We can exhort, plead or urge, but we seem to be in no position to bargain. As I shall indicate later, we have a bargaining position and have failed to use it.

The second thing about the route we are looking at is that the Strait of Juan de Fuca, though reasonably wide, is subject to high winds, strong tides, and fogs at all seasons. The daily weather reports that I hear when I am home indicate a small craft warning nearly every day. That means that winds are blowing up to 30 miles per hour, with riptides. This strait, and the Rosario Strait, through which the tankers also have to pass, are treacherous, subject to strong winds, strong tides, and the currents seem to run, in the main, from south to north, for example, toward the Canadian shore.

Another thing about this route relates to fisheries because, through these narrow binational waters without regard to boundaries, passes one of the last surviving large salmon migrations, out to sea as fingerlings or grilse, and later at spawning, as full grown fish, heading inland to lay their eggs, perpetuate their kind, and die.

A large oil spill in these waters would endanger this migration, threaten the livelihood of many commercial fishermen, both Canadian and from the United States, and cast a lasting blemish on a marine playground enjoyed by thousands, nay, perhaps millions. Is it any wonder then that I feel obliged to raise my voice in defence of these waters?

[Mr. Munro (Esquimalt-Saanich).]

When we went to Washington on that visit in July, 1973, I put before the assembled group a proposal that the United States authorities concerned should consider an oil route that would eliminate the need to use that inland sea altogether. The tankers, I suggested, should proceed further down the coast to the nearest feasible offloading site. I mentioned Gray's Harbour, just 100 miles or so down the Washington coast, where deep sea facilities are already available—in depths which, admittedly, would not accommodate the deepest of deep draft tankers, but in waters that are dredgible. And if dredging produced insuperable engineering problems then possibly offloading could be assured, with less danger, in a basin. This motion was well received. I have since given it wide circulation among interested congressmen, state officials and oilmen, and I have publicized it in Canada.

The then secretary of state for external affairs said it was not really his business to propose alternative offloading sites. What is to be lost by so doing, I ask?

The great shortcoming of this proposal—and I recognized it as well as anyone—was that Canada did not appear to have any leverage or persuasive argument to make the United States listen. We did not seem to have a negotiating position. As soon as we start to talk about keeping the tankers out of the inland sea, we get back the arguments of (a) what about the tankers taking oil out of Vancouver harbour through these waters—this was done, regrettably, at the height of the Middle East oil panic last spring—or (b) what about the tankers in United States waters on the east coast, offloading Venezuelan and/or Middle East oil for eastern Canada through Portland, Maine? These are tough arguments to counter. The first of these counter-arguments has disappeared, I hope forever. What about the other one?

Can we not negotiate? Can we not trade off safety in east coast United States waters in return for real safety in west coast binational waters? Why not, I suggest now, off-load east coast oil at present terminals in Nova Scotia, say, and use a pipeline to carry the crude, or refined product, to consumers in Quebec? Is it the cost of a pipeline that is stopping us?

We talk, with some abandon, of a pipeline or a railway across the Canadian Arctic to the United States border. Why not the much shorter pipeline on the east coast from Port Hawkesbury, say, to Quebec City? The approaches to Port Hawkesbury are not nearly so devious as the approaches to Portland, in Maine, are said to be, Mr. Speaker.

● (1740)

If we were to give serious consideration to this notion, we should have a negotiating position—we keep their backyard tidy, and they undertake not to throw their dirty oil barrels in our backyard, or in my front yard. I suggest, therefore, that we do have a negotiating point. I put it forward merely as one possible way out—we avoid Portland, Maine; they avoid the Strait of Juan de Fuca. Thus we save our west coast fisheries from the threat of an oil spill; and we save the shipping channels in and around Portland, Maine, from the risk of frightful pollution.

Gray's Harbour, at the mouth of the Chehalis River, the entry from the sea to Aberdeen, Washington, is the port which I suggest should be used. I made this suggestion in Washington more than a year ago. I said, "Either dredge the channel that is already there for deeper draft ships, or create an off-shore offloading rig, as is done in the Persian Gulf; or construct a fully protected basin." The swell, I am told, off this part of the coast of Washington is something to experience. Overcoming it involves engineering. Mr. Speaker, engineering problems are there to be solved; they are not there to beat us down.

And what of the cost? We should have a cost to bear in transporting our offloaded oil from our east coast port to the large consumer centres east of the Ottawa Valley; they would incur the expense of improving facilities at Gray's Harbour and transporting the crude oil only a few hundred miles to refineries at Cherry Point or Eugene, Oregon.

I submit that the sort of pipeline I am suggesting will bring advantages over and above those which are readily apparent. It would provide a transport vehicle for Canadian oil to flow east when the right moment comes, if we can ever get back into production. Considering the provisions of the present budget, I wonder if we shall ever be able to do this. Nevertheless, if the pipeline were in place we should have in our hands a real bargaining weapon and not be subject to OPEC's whims and arm twisting.

In light of this budget and its depressing effect on production, my proposal may be out of step with the times. On the other hand, if we can recover from the deductibility features of this budget, we may be able to consider the ideas I have put forward and put these notions to work.

I wish to deal with other matters relating to the proposed tanker route, such as navigational aids which will be needed for regular merchantmen using our inland sea off Vancouver Island. Because of the time limitation, I must put these concerns to one side and talk of a matter which is equally important in maritime terms. I am referring to the enforcement machinery at Canada's disposal. This relates to the claims the government made at the Law of the Sea Conference which was held last summer in Caracas.

As I said at the beginning of my remarks, this debate is very likely to turn into a litany of complaints about problems. At this point, however, I wish to pay tribute to the Canadian delegation which carried Canada's case at the conference in Caracas.

Some hon. Members: Hear, hear!

Mr. Munro (Esquimalt-Saanich): Do not applaud too quickly. While I was there I saw that the operation was wholly in the hands of public officials. Of these I cannot speak too highly. They were professionals to their fingertips and they worked tirelessly for causes of deepest concern to Canadians—reduction of the risk of pollution on and off our shores—this ties in with my present remarks and with those immediately foregoing—fisheries, appropriate jurisdiction for mining and petroleum development off our shores, marine research and so on.

As an observer at the conference rather than as a delegate, I naturally made no public allusion during my short stay in Caracas to the reservations I had about the position the government was taking, or, rather, to the doubts I harboured as to the government's ability to present a credible case on its claims to jurisdiction over an economic zone extending 200 miles off-shore.

It is important to look at this 200-mile zone and see what it actually means. Of course, we are talking about 200 miles to seaward from a headland to headland baseline drawn around our deeply indented coasts. In short, we are talking of 200 nautical miles, which equal 230 land miles that you, Mr. Speaker, and I travel in our cars. To give this distance some real meaning, I suggest that we get in a car and travel for four hours without let-up at 60 miles an hour. At the end of four hours, if you were at sea, you would reach the edge of the 200-mile zone. That is a long way.

In terms of area, the proportions of this economic zone to seaward are even more staggering. Extending our jurisdiction seaward by 200 miles from our east coast and west coast is like adding a few more provinces. I do not think the government understands this. Have you any idea, Mr. Speaker, how much extra acreage is involved? Extending this zone 200 miles out to sea of our east and west coasts alone would mean adding another 660,000 square miles to the area over which we claim jurisdiction. That would be like adding another Quebec plus another set of maritime provinces, or another Ontario plus a second Manitoba.

What bothers me is that we must enforce our writ over all that extra territory. I do not believe, as matters now stand, that we have that enforcement capability. Nothing in the budget suggests that we shall acquire that capability. This afternoon the Minister of National Defence (Mr. Richardson), in reply to a question, said that his department is carrying out patrols every once in a while. The next one will be carried out next month, and the next one the month after that. This I find frightening.

I have long contended that Canada's coastguard is inadequate even for patrolling and enforcing jurisdiction over our existing territorial waters, which at present extend only 12 miles offshore. Complaints have been heard from both coasts, and incidents recorded regularly in the press and queried in this House during question period, testifying to the validity of my contention.

As a consequence the question I must ask myself, and which I now put to the ministers concerned, is this: given that we do not have a seaborne protective service on a scale sufficient to keep poachers out of our present 12-mile waters, what measures are being taken to remedy that situation, in view of the possibility that we might shortly be expected to keep poachers out of a 200-mile zone; or, if we are not to keep poachers out, how are we to keep track of licensed vessels within the area to ensure that what they are doing meets with our approval?

My second question relates to the first one. It is the question which I refrained from asking during the conference, but it is one which must now be faced honestly. It is this: how forcefully does the government believe it can press its claim to a 200-mile economic zone at an international conference—the Minister of Energy, Mines and Resources (Mr. Macdonald) might ponder this question—when it is clear for all to see that we are completely

unprepared to enforce any mandate we might secure over such an area.

And if, as I believe, our case is weakened precisely by the absence of enforcement machinery, what plans is the government able to announce, in the way of shipbuilding programs, for example, command structure reorganization—not to mention improvements in our airborne surveillance posture—which will make Canada's claim more credible? The recent replies of the Minister of National Defence have given cause for even greater worry than I felt when I was in Caracas.

This is like the question which was asked many years ago in another context, and it is the question which our friends were asking us in Caracas: how many divisions has the Pope? How many divisions has Canada? I have asked this question four or five times in the last year or 18 months in the Standing Committee on Fisheries and Forestry, but was pooh-poohed for my pains. Speaking in plain credibility terms, who is going to believe that we are serious in advancing our argument in favour of a 200-mile economic zone off-shore, let alone a good claim out to the margin, unless we can show that we are either prepared or are seriously preparing to carry out appropriate enforcement measures in that extended territory?

● (1750)

By enforcement I do not necessarily mean total exclusion of all comers, but rather enforcement of rules of our making as to the size of catch, kinds of fish caught, open and closed season and so on; management decisions over that extended territory. That is what we have to make. That is what we have to enforce. That is what we cannot now enforce.

Extending our coastline out 200 miles on the Pacific and Atlantic means, as I said, adding another Ontario and another Manitoba over which we should be able to exercise some control. To carry our claim out to the edge of the margin, as would be required if we wanted to protect the breeding grounds where our inshore species begin their life cycle, to carry our claim out that additional distance into the Atlantic as far as the Flemish Cap, the only area affected, would mean we would be taking in another British Columbia. Is the government aware of the scale of these extensions of territory? I think it is completely oblivious to these dimensions.

The magnitude of these claims takes on some meaning when stated in these terms. To satisfy the wishes, and possibly the needs of all Canadians in terms of fishing and spawning grounds, we might have to acquire control over seaward areas as great as Ontario, Manitoba and British Columbia combined. How are we going to exercise any sort of control over such areas with our present seaborne and airborne equipment?

All we have is some 86 vessels of all types operated by the Department of Transport, not one of which is designed to travel much more than 12 to 15 miles offshore at the best of times, and not one of which has the speed required, let alone being built for offshore service, to intercept and inspect poachers in distant waters. Can you imagine what patrolling the whole of Ontario and Manitoba would be like with patrol cars, not one of which is capable of travelling at more than 25 miles per hour, and none of them fitted with snow tires? That is the sort of comparison I am making here. It is ludicrous.

The navy could do this work if we could man the vessels now stored in polyethylene. I am sure it would rise to that challenge, but before the navy can take on, or even share properly in such a task, some decisions are needed from government so that those in command of our naval units have the power to search and, at need, to arrest. I might point out that a commander of a Canadian naval vessel does not have the power in peace time to carry out an arrest unless it is expressly accorded to him by the Minister of Fisheries on a case to case basis.

Are our naval forces enough to handle these extended territories? What plans does the government have to strengthen our hand at sea? The Minister of State (Fisheries) (Mr. LeBlanc) mentioned in committee the other day plans to lay down six new keels. That is good, but will those additions to the coastguard and naval strength prove sufficient to meet our future needs in that vastly extended area of the sea? Somehow I doubt it. I fear the decisions have not been taken long enough in advance of the need.

To be absolutely convincing, both at home and at the international conference table, we have to show that we mean business inside our newly acquired economic zone, be it 200 miles or out to the edge of the margin. Command structures must be redesigned, and new tasks for our maritime and airborne services have to be clearly established so that effective surveillance can be carried out, and so that offenders will know they will be brought to task speedily.

Let it be added here that it would be a mistake to think of the remodelled force charged with guarding our coasts, which I like to call our maritime protection service, and let us not think of it solely in terms of our fisheries. A capable and competent protective service is needed for pollution patrol as well.

This was written before hearing the comments today and yesterday of the Minister of National Defence. I know I will be told that our long-range patrol aircraft, our Argus and their replacements, if they are ever acquired, can effectively carry out the surveillance necessary in terms of pollution control. We are told they can. To observe maybe, but not to prevent.

You cannot serve summonses from aircraft. Those of us who have flown in aircraft on patrol know it is an impossibility. The very idea that a surface vessel on patrol could pop up over the horizon at any moment, with a warrant to arrest nailed to its masthead, is enough to deter any skipper from sluicing out his bilges as soon as he loses sight of land and discharging filthy oil sludge into the sea just off our beaches, a sludge which produces a film to cut off the oxygen necessary for the healthy development, the very life, of our fish.

The fact that in Canadian waters today—and tomorrow too, unless the government stirs its stumps—no skipper need fear the appearance of any such vessel is like a ticket of leave to do whatever the skipper wants to do once he can no longer be seen from the shore.

The government has been severely criticized for its inaction in the face of inflation, its failure to deal effectively with unemployment insurance abuses, its inability

to treat the veterans properly, its reckless spending of public funds, and its refusal to reduce taxes for the needy. Now we see it inviting a perilous situation, for example, the creation of wide expanses of ocean that it is going to have to control and with which it is going to be totally incapable of dealing. I see but little sign of increased capacity in our waterborne strength, certainly none to match that which is involved in our extended responsibility.

The Acting Speaker (Mr. Penner): Order, please. It being six o'clock this House stands adjourned until two o'clock tomorrow afternoon.

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, November 21, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

TRANSPORT AND COMMUNICATIONS

Second and third reports of Standing Committee on Transport and Communications, in both official languages—Mr. Campbell.

[*Editor's Note: For text of above reports, see today's Votes and Proceedings.*]

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[*English*]

BUSINESS OF THE HOUSE

AGREEMENT ON TIME LIMIT FOR SPEECHES DURING BUDGET DEBATE

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, there have been informal discussions amongst the House leaders and there is general agreement that, in order to give more members an opportunity to participate in the debate on the budget, speeches be limited to 20 minutes.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

* * *

[*Translation*]

OFFICIAL LANGUAGES ACT

TABLING OF REPORT ON BILINGUALISM WITHIN PUBLIC SERVICE

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I wish to table a report on the progress that has been made in implementing the resolution adopted by Parliament in June 1973 as it relates to carrying out the government's responsibilities under the Official Languages Act.

The report contains the results of the process of identifying the language requirements of all positions in the Public Service for which the Treasury Board is the employer. Information is provided on the number of bilingual employees occupying positions identified as bilingual, as well as data related to language training for public servants.

[*English*]

Mr. Speaker, hon. members will note that the number of positions identified as bilingual is approximately 53,600, compared to the estimate of 25,000 made in December, 1972. The main reasons for this are that the number of bilingual positions required to serve the public servants were underestimated. In addition, to allow public servants to work in the official language of their choice, the number of bilingual supervisory positions is higher than estimated. Criteria for identifying bilingual positions were established in consultation with certified bargaining agents.

● (1410)

Fifty-three per cent of incumbents of bilingual positions are bilingual, leaving an estimated training load of some 19,000, the majority of whom are Anglophones. Experience with full-time language training is still quite limited and it will be some time before complete data becomes available on the number of employees who will be able to complete language training successfully. However, the government wishes to ensure that the maximum number of public servants are able to acquire a knowledge of their second official language. Therefore, a study will be carried out by recognized linguists to determine why some persons appear to be unable to learn a second language and whether, as a consequence, teaching methods can be improved.

In addition, at the request of the government the Public Service Commission has agreed that, effective immediately, unilingual employees aged 60—or over, will automatically be exempted from language training while retaining the right to occupy or be appointed to bilingual positions. This means that a unilingual employee aged 60 or over who has all the other qualifications for a bilingual position can be appointed to the position without having to become bilingual.

[*Translation*]

Mr. Speaker, the resolution adopted by Parliament called for measures to increase the use of French within the Public Service as well as for ensuring full participation of both the anglophone and francophone communities. Hon. members will, I am sure, hope for a continued improvement in the situation indicated by the statistics describing a linguistic profile of the Public Service.

During the process of implementation of Parliament's Resolution the Certified Bargaining Agents have been consulted. The fruitfulness of our consultations with these employee representatives and particularly the work of the Official Languages Committee of the National Joint Council deserve special mention and I wish to express the appreciation of the government.

[*English*]

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, at the outset I would like to thank the minister for his courtesy in supplying a copy of the statement well in advance. I think all members of this House want to make certain that Canadians can secure the services of their government in both languages and that our public service will not only be the best possible but, more than that, it will be a contented public service while this process is going on. Even Liberals, however, are human—

Some hon. Members: Oh, oh!

An hon. Member: Explain.

Mr. Baker (Grenville-Carleton): —and there are few greater examples of mismanagement than with respect to this program and its implementation which is so important to the future unity of our country. Perhaps I should not be unduly unfair in singling out the President of the Treasury Board (Mr. Chrétien)—as many of his colleagues are equally guilty of mismanagement, as we saw a few days ago at the beginning of the debate in which we are involved.

Let me tell the House why we on this side believe there has been gross mismanagement. I will use only the data contained in the minister's statement to support my claim; then I will tell hon. members how the program could have been implemented in a much more efficient, economic and humane manner. Let us consider the minister's report. It shows, first, that the government has misled the Canadian public, this House and the public service. The report shows that the number of positions identified as bilingual has more than doubled in two years, from 25,000 to approximately 53,600. Notice the word "approximately", for the figure may go substantially higher. There is little evidence here of any sensible planning before the government made its decision.

This increase, apart from being an example of the government's shoddy preparation for the bilingual program, has deeper implications. It shows that Canadians who are unilingual, either Francophone or Anglophone, will find it more and more difficult to reach the higher ranks of the federal public service; and since, as the government admits, no one knows why some of us cannot learn languages, the government is unnecessarily halting the careers of a large number of young Canadians. When one considers the lack of leadership by the federal government in the provision of language training in schools across the country, and the relative failure of the government's own language training program, one can appreciate the hardship caused to young Canadians.

Nineteen per cent of all positions are now designated bilingual. In the national capital region the figure reaches 66.4 per cent. This means that promotion in our national capital region is highly restricted. Yet even outside Ottawa the chances of promotion are not much better. A glance at appendix B to the report provided by the minister shows that 92.7 per cent of all executive positions, 36.6 per cent of administrative positions, 26.8 per cent of all scientific and professional positions, and 25 per cent of all administrative support positions are designated as bilingual in which fluent use of both French and English is essential.

These figures make a mockery of the various so-called protections provided in the government's proposals for the implementation of bilingualism in the federal public service of this country. The minister, in his report, demonstrates the generosity of the government, if I may use that word. Unilingual employees aged 60 or over will be exempt from language training while retaining the right to occupy or to be appointed to bilingual positions. Since at the same time the government is endeavouring to force many civil servants into retirement at the age of 60, one can see exactly how much protection is afforded by such vacuous statements as the one just referred to. The government admits, as we all must, that there is a serious problem in connection with language training. This is a problem which seems to bother most English-speaking countries and countries such as ours where a high proportion of the population speaks English. Most educators could have told the government the grave problems facing it in the area of language education. The evidence was all around the government but was obviously ignored and the government decided to go ahead without consultation.

We need to do a number of things. Most of all, we need to improve the motivation of members of the public service of this country to join wholeheartedly and willingly in the bilingualism program. If we are to accomplish this we must do certain things. First, we must reform our language training programs so that far fewer public servants will need to take full-time, centralized training programs. This can be done by having continuing interdepartmental programs which will assist members of the department concerned to understand and read the other official language. Only those with particular motivation and aptitudes should be required to take full language training in order to qualify, which would involve competence in speaking and writing as well. Competence in reading and comprehension are sufficient for many of the tasks necessary in positions which have currently been designated as bilingual in the full sense. An increase in the number of public servants who can read in the other official language will mean that an increasing number of unilingual personnel, either Francophone or Anglophone, can be employed in better positions than at present.

I suggest we also need to adopt a new approach to the operational side of the public service based upon a decentralized, bilingual infrastructure. We need a rapid translation capability so that an increasing number of Canadians can work in their own language within their departments. A little outside advice would have helped the government improve the implementation of these programs. That advice was offered but the government refused to accept it.

In closing, let me say that we are just beginning the debate on the budget; therefore I am particularly disappointed that the minister's statement did not contain any figures concerning the cost of the program. Finally, Mr. Speaker, I want to remind hon. members that during the twenty-ninth parliament we asked the government to put into the law of the land the protection of the guidelines that we dealt with in that debate. This they have appar-

ently refused to do. I think the public service is not served well by that refusal.

● (1420)

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have often wondered why I have so much difficulty learning French.

[*Translation*]

Now I understand: I am 60 years old—

[*English*]

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): That applause was so delayed in coming that I thought I would have to translate into English what I had said in French. This whole question of bilingualism in Canada, particularly bilingualism in the public service is, to put it mildly, a sensitive issue. Nevertheless, the fact is that parliament, with the support of all four parties, passed the Official Languages Act and has continued to support the policy of bilingualism in the public service, because we believe it should be made possible for Canadians of both our official languages to communicate freely and easily with their government. Therefore, it seems that we can only approve when the government indicates it is taking steps to try to carry out a policy decision that has been made by parliament.

It is true that along with its responsibility to develop that policy, the government also has the responsibility to be fair to the employees concerned, particularly those who are unilingual either way. We welcome the fact that this is still being recognized by the federal government. We welcome in particular the recognition—I alluded in my opening remarks to this fact—that for some persons it is difficult to learn another language. My hon. friend across the way, who just said he is having no trouble learning English, is an example of proficiency in this field, as is the President of the Treasury Board (Mr. Chrétien) who, when he first came here, did not know a word of English.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I like the realism of the statement that it is necessary to carry out a study by recognized linguists to determine whether our teaching methods are filling the bill. If they are not, we believe the government would do well to see that those teaching methods are improved. On behalf of my party, I wish also to say that we like the recognition on page 9 of the report that the only way this problem of learning a second language can be resolved for Canada as a whole is for Canadians to have the chance to acquire the basic knowledge of a second language, be it English or French, at an early age.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): We believe that this recognition should be put into practice even more than it is at the present time. It is quite possible to get into a numbers game on this issue and it is quite possible to be aware of the sensitivities, feelings and criticism which there may be. However, Canada, being the kind of country that it is, and this parliament having endorsed the principle that bilingualism should be a fact in the public service, we believe efforts should be made to work that out with fairness to all concerned. This includes both major language groups and the rights of all those in the public service.

I have just one other word to say to the government. Acceptance of the principle of bilingualism in certain parts of Canada is helped if the policy of multiculturalism is pushed and advanced, and I urge that the government put a little more steam into that program. In fact, it might be a good idea once again to assign a full-time minister to that effort, to the development of multiculturalism in all parts of Canada.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should have thought that the minister would have made a statement to the effect that the government was willing to supply the department of education of each and every Canadian province with the funds required to teach both official languages in our schools. Absolutely no more than five years would be required for all Canadians to become fully and totally bilingual. Once again we start at the end of the line.

Mr. Speaker, when I hear our minister telling us about the good intentions of the government and yet see that some departments are still hiring unilingual staff, I wonder then how sincere the minister is.

Recently I took an Air Canada flight; some of the young hostesses of 20 or 22, spoke only one language, English, and they had just been hired. I claim that if a young French-Canadian girl wants to be hired by Air Canada, she should learn English, just as an English-speaking one should have to learn French before getting a job with Air Canada.

Mr. Speaker, the minister says that 53 per cent of those who hold bilingual positions are already bilingual. Thus that leaves some 19,000 people who are mainly English-speaking. The minister should have said totally English-speaking, because in the federal ministries, no French-speaking civil servant is going to be hired if he does not speak English. I know that by experience.

Mr. Speaker, the other point that I find very hard on present civil servants is that the minister says: At the request of the government, the Civil Service Commission has accepted unilingual employees aged 60 or over. Mr. Speaker, just ask someone who is 50 or 60 years old to learn the second official language. It is almost impossible and I think it is unfair. You do not learn the second language when you are 50 years old: that is much too late. So, instead of saying: Civil servants of 60 or over, the minister should have said: 50 or over and established the maximum at 50 years of age. But we are still going to spend money to teach the two languages to the 35 or 40 year-old civil servants. I have nothing against that, on the contrary. If the government gave those millions to the provinces to allow them to teach the two languages to their young people as early as the first grade in all the provinces of Canada, we would obtain much better results

within five years. The member for Îles-de-la-Madeleine (Mr. Béchard) says it is up to the provinces to do that. We spent $53 million to learn that English was spoken in Ontario and French in Quebec. Why don't we spend another $53 million to teach both languages to the young people of Canada and within five years Canada will be a bilingual nation. That is all I have to say, Mr. Speaker.

● (1430)

[*English*]

Mr. Murta: Mr. Speaker, I am rising on a point of order respecting the import controls on beef and pork which have been imposed by the United States government over the past few days. The reason for my point of order is this. The situation might be very serious in terms of pork for the immediate term, and in terms of beef for the long term. We could be talking about a loss in sales of up to $100 million. I think to a great extent the government has brought on the problem by its own fumbling and mismanagement—

Mr. Speaker: Order. Would the hon. member be good enough to come to his point of order.

Mr. Murta: My point of order is this. The minister indicated that he would make a statement in the House telling the Canadian people what the government is proposing to do. Even if the government is going to meet with officials of the United States government in the near future, I still feel that it is up to the Minister of Agriculture to give some explanation to the Canadian people so that we know what the government is doing, if anything.

Mr. Speaker: Order, please.

Mr. Jarvis: Mr. Speaker, I rise on a question of privilege. In yesterday's *Hansard*, at page 1496, in reply to a question by my colleague the hon. member for Edmonton-Strathcona (Mr. Roche) regarding the world food conference in Rome, the Minister of Agriculture replied, in part:

> I will be making a more detailed statement tomorrow, and I hope that some of these questions will be answered at that time in more detail.

This simply confirms the assurance that I thought some of us had from the minister that a detailed statement on the world food conference in Rome would be made on a day not later than today. I can appreciate the minister's very serious difficulties in attempting to draft a statement that would bring some credibility to the government, but that is not my question of privilege. My question of privilege is that yesterday in this House the minister assured us in unequivocal terms that a statement would be made today, and he has not risen in his place to do so.

Mr. Whelan: Mr. Speaker, when I said yesterday that I would make a statement today, I did not know that my colleague, the President of the Treasury Board (Mr. Chrétien), had made arrangements to make a statement today, so I thought I would make mine tomorrow, and that is what I intend to do rather than take the time of the House today.

Some hon. Members: Oh, oh!

[Mr. Caouette (Témiscamingue).]

Mr. Speaker: Is the hon. member for Greenwood rising on the same point of order?

Mr. Brewin: Yes, Mr. Speaker. I want to associate myself with the hon. member for Perth-Wilmot (Mr. Jarvis). The minister did say he was going to make this statement on an extremely important subject, and I am wondering what is keeping him from doing so.

* * *

TRANSPORT

SUGGESTED CO-OPERATION WITH UNITED STATES IN RE-OPENING SEAWAY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise pursuant to the provisions of Standing Order 43 to ask the leave of the House to move a motion that is self-explanatory and which I feel should meet with approval from both sides of the House. I ask permission to move, seconded by the hon. member for Grenville-Carleton (Mr. Baker), the following motion:

> In view of the most serious situation created by the blocking of the St. Lawrence seaway as a result of the sinking this morning of the Canadian freighter the *Roy A. Jodrey* in United States waters, off Wellesey Island west of Brockville, Ontario, the House requests the Minister of Transport to offer immediate and full co-operation to American authorities in taking any steps necessary to re-open the channel and that the minister advise the House as to when it is expected the seaway will re-open as indicated from the latest information available to him.

Mr. Speaker: Before putting the question pursuant to the motion under Standing Order 43, with regard to the proposed point of order raised by the hon. member for Lisgar (Mr. Murta) and supported to a certain extent by an alleged question of privilege by the hon. member for Perth-Wilmot (Mr. Jarvis), the point of order is not, of course, valid in view of the fact that the minister, as I recall, indicated yesterday that he hoped he would be making a statement today. Comment may be valid in respect of the minister's statement, but there is no requirement at all that the minister make a statement at any time. Therefore, I cannot accept that the hon. member's point constitutes either a question of privilege or a point of order.

This motion having been proposed by the hon. member for Leeds (Mr. Cossitt) pursuant to Standing Order 43, it requires unanimous consent of the House before it can be debated. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

CANADIAN WHEAT BOARD ACT

AMENDMENT TO SET DATE FOR FINAL PAYMENT IN POOL PERIOD

Hon. Otto E. Lang (Minister of Justice) moved the first reading of Bill S-6 (from the Senate), to amend the Canadian Wheat Board.

Motion agreed to and bill read the first time.

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL—SUGGESTED ANNOUNCEMENT OF CONSERVATION MEASURES AND SETTLEMENT OF LAND USE REGULATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. In view of widespread reports about our country becoming less than self-sufficient in oil in a few years time, I should like to ask the Minister of Energy, Mines and Resources, instead of concentrating on fighting over the spoils, when he is going to announce to this House a program of conservation and development of our petroleum resources? In particular, when is the minister going to announce to the industry and to the country in general a settlement of the land use regulations question, which has been all up in the air in the north since as far back as 1970?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I anticipate putting before parliament, prior to our rising for the Christmas adjournment, the details of the conservation program which we hope will be effective in changing the attitude of Canadians, over a period of time, toward their use, particularly of petroleum and natural gas.

With regard to the oil and gas land regulations, one of the principal obstacles to a final conclusion in this regard has been the fact that these same regulations apply to the east coast offshore and apply to the north. The desire for some time was to have an identical set of regulations, including rent collection, for the two areas. As the hon. gentleman knows, it has not been possible to come to an agreement with the five easternmost provinces as yet with regard to the east offshore. I will be suggesting to my colleagues that we proceed separately on the two different issues, proceeding in advance with the regulations in the north. If legislation should be necessary, as indeed it may be, that could be introduced in the House during the current session.

● (1440)

Mr. Stanfield: I have a supplementary question, Mr. Speaker. With regard to the land use regulations has there been any effort by the minister or the federal government to obtain an agreement with regard to that aspect of the conflict with the five eastern provinces? Is the minister telling us there has been a refusal by those provinces to

agree to the land use regulations proposed for the north, or is it other aspects of the eastern off-shore contract about which there has been disagreement?

Mr. MacDonald (Rosedale): Of course, the basic disagreement is with regard to the question of jurisdiction. What the federal government has proposed to at least the four provinces which have agreed is that the jurisdictional question should be put aside and we should work out an appropriate regime to cover both the revenue question and the administration of the resource which may be there, both in terms of the operational practices as well as rent collection. So, the rent collection apparatus with regard to the permit and leasing arrangements has been an integral part of the whole discussion. We have not attempted to go ahead and solve a particular issue but were rather hopeful that the entire arrangement might have been concluded before this.

Mr. Speaker: The Leader of the Opposition on a final supplementary.

Mr. Stanfield: In view of the urgency of the settlement of the question with regard to land regulations, the urgency in respect of the settlement of that question offshore and the urgency in the north, what possible excuse has the minister for at least not having had this question settled so that the question of land regulations would be cleared up for the north and presumably for the offshore as well.

Mr. Macdonald (Rosedale): If the hon. gentleman has been following the public reports of this question he will have noticed that the question of land regulations is one of the points on which the government of Newfoundland in particular has been most critical of this government.

In respect of the land regulations, the administration of the resource is really the fundamental and basic question involved in the over-all administrative arrangement. It therefore, I think, does not make much sense to talk about settling that particular question until one can settle the over-all regime, whether it is to be carried out by the federal government under its jurisdiction, as we think would be the appropriate legal position, or whether it is to be carried out co-operatively, as we think is the appropriate political solution.

Mr. Speaker: The hon. member for Regina East on a further supplementary.

Mr. Balfour: My question is not a supplementary, Mr. Speaker, so I will defer it.

OIL—POSSIBILITY OF CRISIS SUPPLY SITUATION—REASON FOR FAILURE OF GOVERNMENT TO CURTAIL EXPORTS TO THE UNITED STATES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. According to the figures which are purported to have come from the National Energy Board report, which the minister has not yet made public, it is estimated that even if Canada were to cut off its supply of crude oil to the United States we will be in a position of non-self-sufficiency in less than eight years and if we do not cut off supplies to the United States we

will not be self-sufficient in four years and will not have sufficient oil to put through the pipeline from Sarnia to Montreal. In view of this very serious situation, and the possibility that Canada may be heading into an energy crisis within a few years, I wish to ask the minister whether the government is taking any steps to phase out the exportation of oil to the United States which last year amounted to 1.2 million barrels a day?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I should say to the hon. gentleman that that is one of the questions to which the National Energy Board addresses itself. I can indicate to him that it would be my intention to make the report public tomorrow afternoon. Bearing in mind the fact that the recommendations in the report could have potential financial implications for the firms involved here, I think it should be done after the close of the last stock exchange in this country, about five p.m. I will be making arrangements through my colleague the hon. member for Algoma-Manitoulin to make sure that the hon. gentlemen, the hon. member for Qu'Appelle-Moose Mountain and the spokesman for the Ralliement des Creditistes receive copies in advance in the hope that we might have close co-operation in dealing with this tomorrow afternoon at five p.m.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the fact that, as the minister says, the National Energy Board has the power to deal with this matter, and in view of the fact that its report was handed down last April and undoubtedly they had the statistics before that time—the minister shakes his head. Whatever time he received the report he has had it for several months. The National Energy Board has had the data. That was admitted before a committee of the House. The National Energy Board has had this data and information for months and the minister should have had it. I want to ask him why we have allocated 977,000 barrels a day for export to the United States for the month of November and 974,000 barrels a day for the month of December and why have these exports not been phased out? Why is the minister dragging his feet and why has the National Energy Board not acted in the face of this critical situation?

Mr. Macdonald (Rosedale): Mr. Speaker, perhaps I can correct the hon. gentleman. The Board report was received by me just at the beginning of this month. I transmitted it shortly thereafter to the two producing provinces in order to seek their approval in this regard. I think it is appropriate that we should consider the board report first within the framework of our relations with the two provinces. A dramatic reduction in exports from Canada to the United States would mean an abrupt drop in the revenue of the producing provinces, and this is a question upon which we thought it natural that we seek their views. We could, of course, have acted upon the report unilaterally but chose not to do so.

At the same time, we recognize the impact that a dramatic reduction of Canadian oil exports to the United States could have, particularly on the northern part of the United States, and we considered it sound within the maintenance of good relations with the United States that they should have an opportunity to react to the impact of the report before the government made a final decision. As I said, this question has now been considered and we will be making a public statement on it tomorrow.

Mr. Speaker: A final supplementary by the hon. member for Nanaimo-Cowichan-The Islands.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the minister's desire not to drastically reduce the revenue for the oil producing provinces, may I take it for granted that he proposes to persuade the Minister of Finance to withdraw some of the provisions of his budget? May I also ask him, in view of the statement he made a few moments ago that the government intends to undertake to persuade the Canadian people to alter their attitude with regard to the conservation of oil, whether he is prepared to begin with the government and persuade it to change its attitude and stop these large exports of oil?

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Well, the government certainly would intend to accord its own policies in the use of oil to those that it would be advocating for others. With regard to oil export, I think I would have to restate the previous response, that it is true from the standpoint of the consuming interest in Canada that it would be desirable at the earliest possible date to reduce exports from Canada to the United States. That is the position which, in general terms, I have been stating these many months while we have been waiting for the board's report. The actual fact of the matter is that I think before an action of this kind is taken, which could adversely affect our relations with the United States and indeed adversely affect revenues in the two producing provinces, it would be appropriate to have consultation. At this time, I can only say I find it rather surprising that the official opposition, which has had so much to say about consultation, should be opposed to this particular course of action.

NATIONAL ENERGY BOARD REPORT ON OIL RESERVES—REASON FOR MINISTER'S STATEMENT ON ALBERTA'S POSITION—POSSIBILITY OF CONSULTATION

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, on the same subject, yesterday the hon. member for Crowfoot asked the minister whether he had received a reply from the provinces with regard to this report and the minister's answer was as follows:

Yes, Mr. Speaker, I had had a reply from the minister of mines and minerals of Alberta asking that the report be made public.

● (1450)

The minister for Alberta expressed no opinion with regard to the substance of it, and apparently any level of exports from Canada would be acceptable to him.

My question to the Minister, in view of the statement he made yesterday, is: what is the source of his information which permits the minister to make that statement of judgment?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the minister of mines and minerals sent me a telegram in response to my request that we have a response from Alberta, giving no substan-

tive response whatever. Indeed, prior to the cabinet discussion of this question today I sought to contact that gentleman during the course of yesterday to find out if in fact it was the position of the government of Alberta that it was not going to respond substantially. I reached Mr. Dickie late yesterday and he indicated that, quite the contrary, they would like to have consultation and input into the level of exports over a period of time. We have taken that into account in the course of the decision that has been before the cabinet.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, the whole matter that we have just been discussing is verging on a question of privilege, as you can understand. My supplementary question is this: in view of the fact that the minister says he does not choose to act without consultation, does he now intend to have a meeting face to face with these ministers of the producing provinces to find out authoritatively what their opinion is, rather than this gratuitous type of statement made in the House yesterday?

Mr. Macdonald (Rosedale): The statement which I made in the House yesterday was literally correct—

Some hon. Members: Literally!

Mr. Macdonald (Rosedale): —that there had been no substantive response from the government of Alberta. I am glad that even as late in the game as last night, after having had the report for two weeks, the Alberta government indicated it would like to discuss it and expressed the wish that we discuss it. This is one of the factors that we will take into account in our action on this matter.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I want an answer to that question: will there be consultations with the provinces of Alberta and Saskatchewan on this subject of what their wishes are on this matter?

Mr. Macdonald (Rosedale): I would say that there already has been. Having communicated the report to the provinces very close to two weeks ago and not having had any response, except at the very last minute, from both of them, I think the federal government went a long way toward consultation with the provinces—

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): I think that an important element in terms of federal-provincial consultation is that when we are under pressure, as we have been in the House, to make a document such as this one public, if the province is substantively interested in it it should make some effort to make its views known as soon as possible.

Some hon. Members: Oh, oh!

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I wish to rise on a question of privilege, and I think you will have to make a ruling. Yesterday the minister said in the House that he received the report from the minister of Alberta expressing no opinion with regard to the substance of the National Energy Board Report. Then, he want on gratuitously to make the following statement:

> . . . and apparently any level of exports from Canada would be acceptable to him.

My question of privilege is obvious. The minister is trying to mislead the House.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): In his statement in the House today the minister said that when he took this up with his cabinet colleagues he telephoned the minister in Alberta trying to get more information as to what the latter's opinion was, which confirms the fact that the minister did not know what he was talking about yesterday. Yet, he stated that any level of exports from Canada would be acceptable to Alberta. I want to put it to you very bluntly, Mr. Speaker. I think you will have to rule on whether there is a case of contempt of the House by the minister in misinforming the House on the views of the province of Alberta.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Mr. Speaker, in relation to the question of privilege, I think that the words speak for themselves. I would be quite happy to lay on the table of the House the telegram, which I do not have with me. As I said before, I think it is appropriate in these federal-provincial discussions that if there is to be effective consultation we should have a full and prompt reply.

Some hon. Members: Hear, hear!

Mr. Speaker: Are there other hon. members who wish to make a contribution to the question of privilege.

Mr. Horner: Yes, Mr. Speaker. The minister appears to be complaining that the province of Alberta has not replied in substance to the secret document of the National Energy Board. The government of Alberta believes that the report was sent to them in confidence, and therefore they will make their answer to it public when the report is made public.

Mr. Macdonald (Rosedale): Are you speaking for them?

Mr. Horner: I will speak for them only if they ask me to do so. But I know very well that is their answer with regard to the secret report. That is why they want it made public. Then they will make their remarks to you public.

Mr. Speaker: Order, please. Unless there are other hon. members who have a contribution to make to the alleged question of privilege, my view, on the submissions to which I have listened carefully, is that the proposed question of privilege—

An hon. Member: Oh, oh!

Mr. Speaker: Order, please. My view is that the proposed question of privilege amounts to a complaint about the quality or content of the minister's answer to a question that has been put to him in the House. I think it is significant that the last question which was put to the minister by the hon. member for Qu'Appelle-Moose Moun-

tain was, as I recollect it, in these terms: that the hon. member was seeking a direct answer to the question as to whether there will be consultation between the federal government and the provinces involved. The minister made an answer to that question, and now the hon. member seeks to complain about the quality of the answer in which the minister was referring to past consultations as opposed to future ones. However, in all that I am unable to see it clearly established that there is a charge that the minister, either deliberately or otherwise, is misleading the House. The proposed question of privilege amounts to a complaint as to the quality of the answer. I am sure the hon. member is well aware that this does not constitute a question of privilege.

GOVERNMENT INTENTIONS WITH REGARD TO CONTINUED SUBSIDIZATION OF DOMESTIC OIL PRICES

Mr. John A. Fraser (Vancouver South): My question is for the Minister of Energy, Mines and Resources. Will the minister advise the House whether the government intends to continue the subsidization of oil prices after exports of oil to the United States cease and, if so, what method of subsidization will be implemented?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The actual determination, whether and when exports will drop, of the way in which the subsidy will be financed is, I think, premature at the moment. I think it is obviously a question to be considered, depending upon the appropriate level at which exports are to be set either this coming year or in the following years. I think the hon. gentleman's question is premature in that it precedes the government's announcement of its position.

* * *

[*Translation*]

INDUSTRY

TEXTILES—REQUEST FOR MEASURES TO CURB DUMPING

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, we are going to leave the area of oil to turn to that of textile. All is not going well there either.

I have a question for the Minister of Industry, Trade and Commerce. Can he advise the House whether the prices paid for the textile products which have been imported by Canada from the Far East over the past six months are considerably lower than those paid for Canadian textile products? If so, does the minister consider this as a form of dumping, and can he say whether he will take any steps to protect Canadian textile industry workers?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I am not aware of any dumping at present or undervaluation of imports. I am aware of a good deal of distress selling on the part of foreign producers of textiles, seriously affecting the prospects of the Canadian textile industry. For these reasons, I have referred a number of textile products to the Textile and Clothing Board for an urgent and immediate examination. I hope to have a report in the near future.

[Mr. Speaker.]

• (1500)

FINANCE

TAX POSITION OF OIL COMPANIES OBLIGED TO SELL TO PROVINCIAL CORPORATIONS OR MARKETING BOARDS

Mr. Jim Balfour (Regina East): Mr. Speaker, my question is for the Minister of Finance. Is it possible that the effect of the ways and means motions Nos. 7 and 7.1 of the current budget will be to require petroleum companies in Canada to pay tax to the federal government in excess of their production revenues in circumstances where such companies are obliged, by provincial law, to sell their production to provincially controlled corporations or marketing boards?

Mr. Speaker: Order, please. The hon. member ought to know that he ought not to ask the minister for interpretation of a statute, even a statute that is not before the House, and particularly one which is obviously going to be debated in the House.

* * *

AGRICULTURE

BEEF—REQUEST FOR ASSURANCE CANADA WILL NOT LIFT IMPORT QUOTA ON UNITED STATES CATTLE

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of Agriculture. Because of mounting speculation that the Canadian government will remove import controls on U.S. cattle, thus creating panic within the beef industry, can the minister unequivocally give this House an assurance that such action is not contemplated, in order to avoid havoc within that industry?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, should there be any change in government policy in respect of this matter it will be announced in the usual manner. In the meantime, I can assure the hon. member and members of the House that there is no change in government policy respecting beef import quotas.

BEEF—POSSIBLE GOVERNMENT PURCHASE OF SURPLUS FOR FOREIGN AID

Mr. Gordon Towers (Red Deer): A supplementary question, Mr. Speaker. In order to maintain a stable market for beef in Canada, if a surplus becomes apparent in certain grades of beef for a short time, would the government consider purchasing that surplus and making it available for foreign aid?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the concern of the government I am sure is the concern of everyone in this House, so we are looking at every aspect to make sure that markets are properly looked after to ensure there will be no waste in this product. I had some consultations concerning beef aid with some countries when I was at the World Food Conference and some of them told me that they simply could not use beef in their food programs. We have already started trying to find what countries can use beef in any

of their food aid programs. So, we are looking at that and we are looking also at programs to make sure that the market is stabilized.

* * *

EXTERNAL AFFAIRS

RESPONSE OF UNITED STATES TO CANADIAN NOTE CONCERNING IMPORT QUOTAS ON BEEF AND PORK

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is for the Acting Prime Minister and concerns the note sent to the United States. It appears that the protest lodged by the Canadian government with the United States may not be worthy of reply. I would ask whether he can assure the House that the matter of beef and pork restrictions imposed by the United States will be high on the list of matters to be discussed with President Ford on December 4?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it appears some misinformation has appeared in the press about the response of the United States to this note. It is my understanding that the United States government is announcing today that it welcomes Canada's request for consultations under the provisions of the GATT.

* * *

FISHERIES

POSSIBLE DISCONTINUANCE OF UNEMPLOYMENT INSURANCE IN VIEW OF SUGGESTED GUARANTEED ANNUAL INCOME PLAN FOR FISHERMEN

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is directed to the Minister of Fisheries. Is it the government's intention to establish a guaranteed income plan for Canada's 20,000 self-employed fishermen? If so, will the plan be administered by his department or the Department of Manpower and Immigration and will unemployment insurance be discontinued for those fishermen whose earnings are above a specified inflation index level?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, it is the intention to establish such a plan. I must confess that when the problem of who administers it is the only problem remaining I will be very relieved. As for the matter of discontinuing UIC, that is also part of the discussion that is going on right now.

* * *

THE CANADIAN ECONOMY

POSITION OF FEDERAL GOVERNMENT AT WESTERN ECONOMIC OPPORTUNITIES CONFERENCE ON JURISDICTION OVER NATURAL RESOURCES

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Acting Prime Minister arising from an interview given by the Prime Minister to Ron Robert of

Selkirk News Service on November 9. When asked about western problems and disaffection the Prime Minister said:

> ... the Western Economic Opportunities Conference was the place where we put our intentions and our objectives and our policies on the table ...

At that conference did government representatives clearly, categorically and unequivocally assert the right to invade and occupy a field of federal jurisdiction, natural resources, as they have done by their actions over the last few weeks?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker.

INTENTION OF MINISTER OF FINANCE CONCERNING FAIR DEAL FOR WEST WHEN DRAFTING BUDGET

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a supplementary question for the Minister of Finance based on the same interview. I put it to the Minister of Finance because I assume he is an assiduous reader of primeministerial statements whether attributed or otherwise. In the same interview, the Prime Minister said that:

> ... we as a federal government are determined to make sure that the west has what you would call a fair deal in Confederation.

Did the minister have this before him when he drafted his budget or did he forget about it?

* * *

FINANCE

ALLEGED AGREEMENT WITH ALBERTA AND SASKATCHEWAN OF EFFECT ON EQUALIZATION FORMULA OF OIL REVENUES IN CAPITAL ACCOUNT—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is to the Minister of Finance. Yesterday the minister said that there was an understanding between the Prime Minister and the premiers—presumably in particular the premiers of Saskatchewan and Alberta—that the provinces agreed that one-third of the additional revenues from oil and gas deriving from the international situation would be considered for equalization purposes. On March 28 in the House when reporting to parliament on that conference the Prime Minister said with reference to capital funds for energy development that the revenues taken into those capital funds would not be subject to equalization. He said, "would not be", Mr. Speaker—there was no qualification about percentage, whether 60 per cent, 40 per cent or 30 per cent. The Prime Minister said that the revenues so handled would not be considered for equalization purposes.

My question to the Minister of Finance is, when he said in the House yesterday that there was an understanding that this whole situation had been changed, between whom did this understanding take place? Was it between the Prime Minister and the western premiers, between the Prime Minister and members of his cabinet or whom?

Hon. John N. Turner (Minister of Finance): Mr. Speaker the last time this understanding was discussed it

was between the Prime Minister, the premier of Saskatchewan and myself after the first ministers met with the Prime Minister two weeks ago. At that time, it was evident that there was no misunderstanding as to the true nature of the problem relating to equalization as it affects the situation.

Mr. Broadbent: A supplementary question. I listened with care to what the minister said, Mr. Speaker. He said there was no misunderstanding between himself, the Prime Minister and Premier Blakeney as to where the federal government stood. Is that what he is saying or is he telling the House that the Premier of Saskatchewan did accept the reversal of the agreement that was announced in this House on March 28?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, as I understand it, it was the intention of the Premier of Saskatchewan at that time to bring revenue from oil royalties, amounting to $230 million extra this year, into a capital fund which under that understanding would not be considered for equalization purposes. On the other hand, Premier Lougheed of Alberta had made no such commitment, although he hoped to bring a substantial portion into the capital fund at that time. Whereas the amounts taken in by Saskatchewan would not be considered part of the equalization formula it was always evident to the Prime Minister and the premier of Saskatchewan that any amounts not brought in by Alberta would be part of the equalization formula. That is why on budget night I said that the general understanding was that in total the ratio would be about two-thirds to one-third which is the formula I intend to propose to the provinces.

● (1510)

Mr. Broadbent: A final supplementary, Mr. Speaker. The minister's answer is still not clear. Is the minister saying that Saskatchewan is excluded, in terms of its use of the fund, from the general rule which he is applying to Alberta alone?

Mr. Turner (Ottawa-Carleton): No, Mr. Speaker. I should like to explain this in detail, although this is difficult to do in the question period.

Mr. Speaker: Order, please. I am not sure that it is proper to make that kind of explanation in detail during the question period. With the greatest respect, it has to do with the interpretation of the budgetary policy of the government, which is the very subject before the House today. I do not think we can expect the minister to give an explanation in detail in the limited time remaining in the question period. However, the minister may give a brief reply if he wishes.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will be as brief as possible. It is apparent that the revenues affecting the Saskatchewan equalization position deriving from additional revenues from oil particularly are not only those revenues brought in through the coffers of the province of Saskatchewan but also revenues brought in to the Consolidated Revenue Fund by the province of Alberta. Therefore, the Saskatchewan equalization position can be affected by how Saskatchewan treats those revenues and, because of the different revenue position of Alberta, by how Alberta treats them.

[Mr. Turner (Minister of Finance).]

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REGIONAL ECONOMIC EXPANSION

STUDY OF SITE FOR STEEL-MAKING COMPLEX ON EAST COAST—DATE OF PUBLICATION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Regional Expansion. On October 30 I directed a question to the minister regarding the tabling of the Canstel steel report. At that time he said there were difficulties in translation and he would table it some time later. On November 14 I again asked, the same question. The minister said last week that he hoped to table the report by this week. He intended to discuss it with Premier Regan and hoped to present it to the House this week, as soon as the translation is complete. Is the translation complete and will he table the report either today or tomorrow.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I am not sure if the translation has been completed. I had hoped to table the report tomorrow. In the meantime, perhaps we could make some kind of informal arrangement, in case the translation is held up, and I will be glad to make the report available, without tabling it, to interested parties on the understanding that I will table it in both languages later. If that is agreeable I would be glad to do that later, or tomorrow.

Mr. Muir: A supplementary question, Mr. Speaker. I am sure that if the minister does as he suggests, he will receive support from both sides of this House. In view of the importance of the study to the three members from the Cape Breton area who are concerned about the future of steel in that area, I am sure that there will not be any objection to the minister's suggestion from any part of this House. Could we agree to do as the minister suggests?

Mr. Jamieson: Yes, Mr. Speaker, I will see that members who are interested, as long as it is not every member of the House, have copies available within the next 24 or 48 hours, or before the end of tomorrow.

Mr. McRae: Mr. Speaker, I wanted to direct a question to the Minister of Energy, Mines and Resources. As he is not in the House, I will not ask my question today.

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CANADIAN BROADCASTING CORPORATION

POSITION OF APPLICATIONS FOR RADIO STATIONS AT PENTICTON, KELOWNA AND VERNON, BRITISH COLUMBIA

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is directed to the Secretary of State. Since the Canadian Broadcasting Corporation is on record as stating that there will be full time CBC radio stations in the communities of Penticton, Kelowna and Vernon, B.

C., within months, when will the application to the CRTC be made and at what stage are those plans?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I am not sure, but I will find the information for the hon. member.

* * *

MANPOWER

SUGGESTED INTEGRATION OF MANPOWER AND UNEMPLOYMENT INSURANCE OFFICES—GOVERNMENT POSITION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration and arises from the speech made by the minister to the Toronto Chamber of Commerce on September 23 last in which he suggested that the number one priority was setting up a partnership between the Unemployment Insurance Commission and manpower offices. As unemployment is advancing at the same time as increases in job vacancies are advancing, can the minister tell the House when this partnership is to be established.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, it has been established in the last two years and is working increasingly effectively.

Mr. Dinsdale: A supplementary question, Mr. Speaker. Can the minister inform the House whether the partnership to which he refers and which he says has already been established goes further than putting the two offices under one roof? Does it involve the integration of these two important functions in the same ministry?

Mr. Andras: Mr. Speaker, I have given members of the House in various forums a great deal of evidence regarding special measures which have been taken over the last two years; and, most recently, some fairly detailed description was given before the Standing Committee on Labour, Manpower and Immigration about the special job placement drive, which was a cooperative effort between manpower and the Unemployment Insurance Commission in seven metro centres. It met with considerable success in placing people, in indicating which people are trying to find jobs, and in monitoring the unemployment insurance scheme. I indicated to the committee that it is intended that this successful pilot project, which is a broad one, is being extended across the country.

Mr. Dinsdale: Mr. Speaker, could the minister answer my specific question. Is the minister to reintegrate these two functions which were disintegrated at an earlier time, as this really is the only solution to a satisfactory partnership.

Mr. Andras: Mr. Speaker, I think the hon. member is jumping to a detailed conclusion which may not be supported by a detailed examination. We are pressing, and successfully pressing, for increased coordination and cooperation between these two major operations, and I am not satisfied that an organizational integration is the answer to the particular problem.

Mr. Dinsdale: So, the answer is, no.

[*Translation*]

HOUSING

APPLICABILITY OF FIVE HUNDRED DOLLAR GRANT TO CONDOMINIUMS

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I wish to direct a question to the Minister of State for Urban Affairs.

Can the minister advise the House whether the $500 grant to new house buyers will apply also to those who buy lodgings inside apartment buildings or condominiums?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, yes, it does apply.

[*Translation*]

Mr. Caouette (Villeneuve): I wish to put a supplementary, Mr. Speaker.

Further to the question of the hon. member for Abitibi the minister replied that a $500 grant would be applicable to the purchase of a mobile house considered as a dwelling. Could the minister tell us if that $500 grant applies only to those whose financing is done by the Central Mortgage and Housing Corporation or as well to those financed by chartered banks or by caisses populaires?

[*English*]

Mr. Danson: Mr. Speaker, the source of the financing does not matter.

[*Translation*]

INQUIRY AS TO TAX POSITION OF FIVE HUNDRED DOLLAR GRANT

Mr. Marcel Roy (Laval): Mr. Speaker, I would like to put a supplementary to the Minister of State for Urban Affairs.

It deals with the federal grant of $500 to owners of new houses. Could the minister tell the House if this amount of $500 will be regarded as income and subject to income tax?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I have consulted with my colleague, the Minister of National Revenue, who advised me that it is not subject to tax.

* * *

LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—REQUEST FOR INVESTIGATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question, directed to the Minister of Labour, who has been pushed into making statements concerning the Seafarers' International Union. In light of the serious allegation made by a member of the Ontario Legislature that the Seafarers' International Union has been resorting to violence, intimidation and bribery which affects federal officials and, even more important, politicians on

the federal level, what immediate steps has the minister, along with the Attorney General and the Minister of Justice, taken to bring about an investigation by royal commission or otherwise, and I stress, or otherwise, into these matters?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, first, the premise of the question is wrong if it suggests that anyone has been pushed. I was asked by a reporter to respond to Mr. Shulman's statement within hours of his making it, and I made the comment which the hon. member has before him. I do not think that has anything to do with his question.

As far as the substantive part of the hon. member's question is concerned, I advise him that, according to the records of my department, no complaints have been brought to my department about the substance of the allegations which have been made against the union, in terms of beatings. That does not mean to say they did not occur. It means that no such complaints have come to the attention of the officials of the Department of Labour.

● (1520)

Second, if there are allegations of misconduct on the part of this union or various elements within it, and this may be subject to confirmation or advice from the Minister of Justice or Solicitor General, my opinion is that the provincial government is charged with responsibility for enforcement of the Criminal Code. They have ample power to set up royal commissions and go into this whole question if they feel that is warranted. Local and provincial police forces have power to investigate abuses of this kind and, indeed they should, if Mr. Shulman or anybody else has any information.

If Mr. Shulman or any member of this House wishes to bring to the attention of the federal government complaints of this kind, or they are of such a nature that they warrant investigation, we will of course be prepared to consider them. However, to do so here is questionable.

I might further indicate that as far as allegations against politicians are concerned I, like any other politician in this House, can defend myself, both in public and on the floor of this House. What is very serious here is there are allegations against federal officials, members of the public service who cannot defend themselves, and they are not being named. That is a practice that hon. members in this House should not condone under any circumstances.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): As a result, a cloud has been cast on the integrity of certain officials who cannot defend themselves.

Mr. Alexander: Nor can members of parliament.

Mr. Munro (Hamilton East): I think members of parliament can defend themselves. We have a public forum here. We can defend ourselves against what we consider to be unwarranted attacks.

Mr. Speaker: Order.

[Mr. Alexander.]

Mr. Munro (Hamilton East): I am talking about a public servant.

Mr. Speaker: Order, please. I hesitate to interrupt the minister. His answer, although long, was certainly listened to very attentively which attests to the necessity for the length and substance of it. However, we are running out of time. Perhaps the answer could be abbreviated.

Mr. Munro (Hamilton East): Mr. Speaker, I have just one sentence to finish the answer to the hon. member. Because of the cloud of suspicion cast on certain unnamed officials, I and my deputy feel it might be related to officials in the Department of Labour since we have labour dealings with the SIU and so on. My department has asked the RCMP to investigate these allegations to see whether there is any substance to them as they may pertain to officials connected with the Department of Labour.

Mr. Alexander: Mr. Speaker, in light of the very serious nature of this matter, and in light of the minister's extreme concern about public officials, and I would certainly add to that group the members of parliament because we do not know who this member in the provincial legislature is talking about, notwithstanding the fact the minister has asked the Attorney General to bring in a report, and something tells me that report has already been asked for and is on the way, has the minister discussed this matter with the solicitor general for the province of Ontario and the attorney general for the province of Ontario, particularly when inside or outside the House some member of the Ontario legislature has indicated, and I quote, "What is stopping the investigation is that someone in Ottawa is getting paid off." Does the minister not think that is a serious enough matter, whether questionable or not in terms of authenticity, that he should discuss this matter with the solicitor general and attorney general of Ontario in order to determine what proper method we can take, particularly with regard to a royal commission or otherwise, in order to get to the bottom of this matter?

Mr. Munro (Hamilton East): As I have indicated, Mr. Speaker, as far as these suggestions with regard to public servants in the Department of Labour are concerned, we have asked the RCMP to make inquiries. We are in the process of asking them to do this today. As far as the substance of these allegations is concerned, and that is all they are and no one is named, it is now perfectly within the competence of the attorney general of Ontario, and I am sure this is where a substantial portion of the membership reside who are subjected to this type of abuse, to set up a royal commission, if he feels the facts as turned over to him, if indeed they are turned over to him by Mr. Shulman, warrant such a commission.

As Minister of Labour, as far as I am concerned, no facts have been turned over to me by Mr. Shulman or anybody else other than this particular article. If the hon. member wishes to find out whether such facts that would warrant an investigation have been turned over to my colleagues responsible in this area, including the Minister of Justice and Solicitor General, and whether they would warrant the action the hon. member is now putting forward, it is

his right to pursue those questions with the ministers responsible.

Mr. Alexander: Mr. Speaker, I have one final supplementary. This is a very important matter. It appears that the minister is fluffing off his responsibility.

An hon. Member: Come on.

Mr. Alexander: Don't tell me "come on". We are trying to get the facts. That is all we are trying to do. In light of the fact that the Seafarers' Union is under federal jurisdiction, and the solicitor general and the attorney general of Ontario recognize that fact and are therefore reluctant to move, will the minister now appreciate that fact and move himself in order that we can appreciate that the minister knows what his responsibilities are in this regard?

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): Mr. Speaker, let me make this quite clear. It is within the jurisdiction of a province, and in many cases this is what is done, for the attorney general to enforce provisions of the Criminal Code with regard to Canadian citizens residing in their province. The fact that this union may be chartered under federal labour laws is not pertinent to this particular question. If wrongdoing is alleged and enough facts have been advanced to me by Mr. Shulman to substantiate it, and none have been advanced to me, or to the federal Minister of Justice or Attorney General or the attorney general of the province of Ontario, there is a duty to investigate the matter. That is where this matter presently stands. On the other hand, if the hon. member is suggesting on the basis of an article like this that every politician in this House of Commons, irrespective of political persuasion, should be investigated, that is another matter.

Mr. Alexander: I didn't suggest that.

Mr. Speaker: Orders of the day.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I rise on the usual Thursday point of order. I wish to ask the government House leader about the business of the House for the next week. In his reply, I ask him to indicate whether it is the intention of the government to continue the budget debate without interruption. Also, I assume there will be some time after that for other business before budget bills are brought in. What will be done in that interval? In light of exchanges which took place today and previously, will the government House leader seriously consider bringing in terms of reference to a committee on the issue of conflict of interest which has already been before the House?

Mr. Sharp: Mr. Speaker, with regard to the business for the next week, I can confirm that it is the government's intention that the budget debate should proceed on consecutive days until it is completed. It is also the government's intention that there be a break between the conclusion of that debate and the introduction of the budget bills. I hope I will have an opportunity of talking with my colleagues, the other House leaders, about the business we might have for Thursday and subsequently. I hope we might be able to proceed with the final stages of some of the bills that are on our urgent list that will be reported back from committees and which I am sure members opposite want to see completed.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Wednesday, November 20, consideration of the motion of Mr. Turner (Ottawa-Carleton) that this House approves in general the budgetary policy of the government; the amendment of Mr. Stanfield (p. 1502) and the amendment to the amendment of Mr. Nystrom (p. 1506).

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I have had opportunities to speak in the House during this parliament on behalf of the Department of External Affairs, but this is the first time I participate in a general debate.

Therefore, it is suitable that I offer you, Madam Speaker, my congratulations upon your election to those high duties. I pause to give the House a chance to get back to order.

The Acting Speaker (Mme Morin): Order, please.

Mr. Breau: Madam Speaker, I am convinced that the hon. member for Sudbury (Mr. Jerome) was experienced enough to take this burdensome responsibility of presiding over the proceedings of the House and that he is able to perform those duties with competence, firmness and fairness. In fact, he has already proved it.

Before dealing with my riding and area, Madam Speaker, I should like to make a few comments on the budget and the economic situation. I believe the budget speech the Minister of Finance made last Monday evening is a responsible and fair document.

● (1530)

[*English*]

The Acting Speaker (Mrs. Morin): Order, please. There are many conversations going on while the hon. member is trying to deliver his speech. The Chair would appreciate it if those who wish to carry on conversations would do so behind the curtain.

[*Translation*]

Mr. Lambert (Edmonton West): Mainly on your side.

Mr. Breau: No, not only on my side.

I was saying, Madam Speaker, that the budget speech delivered by the Minister of Finance last Monday night is a fair and responsible document. It is responsible because it recognizes the problems facing us and proposes practical solutions. It is fair because it continues the policy of helping those for whom it is more difficult to face the economic situation.

Sometimes, a budget like that can be better because of what it contains, but sometimes because of what it does not contain. What the economic policy of the Minister of Finance does not contain is an element of panic, an element of over nervousness because of the inflation now facing us. It recognizes the problem of inflation and the problem caused by too rapid an increase in the cost of living. But it also recognizes that inflation is not a problem that must be considered in absolute terms. What is important is to look at it in the world economic context. What is important is our position towards other countries of the world.

All hon. members know, as the Minister of Finance (Mr. Turner) knows, that there are steps to fight inflation but what we must do is consider the consequences of various measures introduced by certain hon. members or certain economists.

Obviously, we must try and stabilize prices, I agree with that, but we must also work towards the objective of social justice without losing sight of that objective, and if fighting inflation means in certain cases withdrawal by the government from any intervention in society, then we must give it a second look.

As to the limitation of government expenditures I think an attempt should be made to reconcile the interest of price stabilization with that of greater social justice.

The policy of the government has been to encourage production in order to increase supply and, particularly, to help those who adjust themselves less easily to fluctuating prices. As for the earners with a fixed income, all those who are not unionized and work for very low wages, the government help them by reducing taxes.

In the speech of the leader of the opposition (Mr. Stanfield), which started Monday night and went on yesterday, there is not much to be found by way of positive suggestions that might help us face current economic problems. The leader of the opposition criticizes the government expenses and suggests that they will be very high. But his speech does not propose any effective or concrete measure that could lead us to curtail or even abolish some programs. It is not difficult to say that the government expenses are high and should be cut down. The problem, Mr. Speaker, is to determine which program is least important for society.

I believe that, for the time being, it is not necessary to operate such an important cut in government expenses, for, when we consider how government expenses have been orientated for the past few years, we find that they aim at reducing existing inequities in this country.

[*English*]

On the question of petroleum, here again we did not hear many suggestions from the Leader of the Opposition (Mr. Stanfield). He spoke about the price of oil and about provincial control, but he did not tell us what he would do if he were prime minister. He says we must avoid industrial concentration. Does this mean that if one part of the country wants to be more opportunist than another, its position should be accepted by the rest of Canada?

Mr. Lambert (Edmonton West): Is the hon. member saying that Alberta is opportunistic?

Mr. Nystrom: Or Saskatchewan?

Mr. Breau: Saskatchewan less that Alberta. My point is that it is easy for the Leader of the Opposition to criticize the government for its stand without telling us what he thinks about the consequences of the possible erosion of the federal government's economic position. What does he think about the possible erosion of federal financial power? Does he think it important to retain this power, or not? The hon. member for Yorkton-Melville (Mr. Nystrom) made a comment concerning the merits of the situation; but regardless of the merits, the position taken by hon. members opposite would, if adopted, lead to erosion of the federal government's taxing powers.

I wish to express my firm support for the stand taken in the budget on this question. Some critics have based their arguments on the constitutional position, but I would remind them that the constitution was not written with the idea that it would cover every situation which might arise. Who can say what the spirit of confederation might have been had today's petroleum situation existed a hundred years ago? Everyone accepts the fact that this parliament possesses the power to tax. What is being done under the budget involves the Income Tax Act; we are not depriving the provinces of the power to manage their own resources.

Some hon. Members: Oh!

Mr. Breau: As to the substance of this issue, I believe that one fundamental point was missed by those who took part in the last federal-provincial conference on the pricing of oil. I attribute this to the rhetoric of some provincial premiers and their friends in this House. As far as I am concerned, the crucial point is that there is a petroleum industry in Alberta and Saskatchewan today, not because those provinces were clairvoyant but because of a series of national policies. The protected market up to the Ottawa Valley line at a time when there was no export market, the system of depletion allowances, and the application of special export policies are among the measures adopted. The producing provinces have been the beneficiaries, and I am happy for them; but these were national compromises which some of us have had to defend. Not enough attention has been paid to this side of the story. If there is a petroleum industry in western Canada today, the whole of Canada paid for it.

Mr. Lambert (Edmonton West): Nonsense. We couldn't raise a penny in Ontario and Quebec.

Mr. Breau: That might very well be so, but when a large percentage of our investment goes into one segment of the economy, someone has to make a sacrifice. Some of us had to defend the policies designed to support the oil industry in Alberta and Saskatchewan, and we are happy about that.

An hon. Member: You certainly did have to defend them.

● (1540)

Mr. Breau: Yes, we did, I admit that; and I am very humble about it, if that makes the hon. member more at ease. But this is precisely my point: at stake are the changing economic circumstances in the world—not in Canada, but in the world. Can we let the federal treasury become eroded to the point where equal opportunity among regions or among people in this country becomes impossible?

The essence of federalism, and especially of Canadian federalism, is to have a political instrument that can balance opportunities for all people in this country. I contend that that political instrument is this parliament. I believe that we in this parliament must make sure that we use every means, every power available to us to do what is best for the country, not just for one part of the country. What should govern us is not only technicalities in the constitution but the spirit of confederation and the desire to keep Canada a fair country for all regions. We must make sure Canada is a country that can stand in the world, and this parliament and the federal government within this parliament is the only body that can guarantee it.

It is one thing to be an opportunist, Madam Speaker, but one must be reasonable. An increase in revenue of roughly $1 billion for Alberta seems to be a reasonable payment in view of the economic circumstances in the world today. I repeat that I am not unhappy if Alberta is able to benefit from this revenue.

Mr. Lambert (Edmonton West): Who gets most of the export tax?

Mr. Breau: Again I will be humble about that. All the export tax goes to reduce the price of energy in Canada. That is what I mean when I talk of balancing opportunities and dividing the benefits among all the people of this country. The hon. member is helping me to make my point.

Mr. Lambert (Edmonton West): Say something about the royalties.

Mr. Breau: I have just been talking about the royalties and I said we were changing the Income Tax Act. Surely the hon. member for Edmonton West (Mr. Lambert) knows that this parliament has power to deal with the Income Tax Act.

Mr. Lambert (Edmonton West): No one is challenging that.

[*Translation*]

Mr. Breau: If I am speaking about the importance of a strong federal government, Madam Speaker, it is not because of dogmatism or ideology, but merely because what Canada needs at this point in its history is Canadian reality. We have five relatively stable provinces, economically speaking, and five others that are less so. And that brings me to my riding and my province.

We need the federal government to improve our surroundings. We will always oppose measures which could erode the federal power and, consequently, its financial position. I said that my constituency depends on the federal government. The whole northeastern part of New Brunswick needs special assistance to improve its economic structure. However, I would like to point out one thing: we are not without organization, we are not "deportees", we are not beggars and we are not starving to death. I am feeling frustrated almost every week, if not every day, because of this attitude that is developing in New Brunswick and even elsewhere in Canada, this attitude which tends to depict us as a region overwhelmed by problems.

It is true that we have problems, and I will deal with them later in my remarks. And if the publicity about the Acadians in northeast New Brunswick which depicts them as poor people may make the population of New Brunswick and of the rest of Canada aware of the problems of this area, I will be glad. But that is not what happens. We find that the reaction of southern New Brunswick people, especially obvious within the government of New Brunswick—and I am not just referring to the Cabinet but also to the provincial public service—shows itself in a certain uneasiness, a certain restlessness when dealing with the northern people. This situation develops itself, I fear, as a stigma. Finally, in order to attract on ourselves the attention of the Canadian society and the attention of the New Brunswick society and to promote our development, some people have inevitably done deplorable things which gave us bad publicity and which in turn worries those who do not know us.

There is a multiplying effect in all this which generates still more publicity whose results are still more negative.

The worst was probably an article in one of the *MacLean's* magazines of last year which described a particular region, Tracadia, as a desperate area, obviously a disgrace. The article reflected this stigma, this lack of understanding of the problems of the people of northeastern New Brunswick, and particularly of Acadians in the northeast of New Brunswick. The strange thing about this, is that from what I have been told, the author of this article is a native of New Brunswick or stayed in New Brunswick for some time. I did not bother to keep this article or to quote from it because I found it disgusting, ignorant and unworthy of a supposedly responsible magazine.

An hon. Member: Shame!

Mr. Breau: It is true that we have poor people, we do not hide this fact, and it is also true that we have economic and other problems.

Madam Speaker, we agree that this should be made public, and I do not blame those who want to talk about it, whether it be *MacLean's* or the national press or whoever it may be, they can say all they want, but I take exception to the fact that they do not talk about the positive aspects even though there are some. For every sign of poverty, for every problem, there is a sign of progress. Moreover, for every problem without exception, there is a group or community direction to take care of it, to study it and to look for answers. Normally, responsible people would talk about these to give the true picture to Canada and the rest of the province. But some people try to show the opposite. We may have doubts about their motives, which are per-

haps only to sell a sensational story. If this were true, it would not be so bad, but sometimes the motive can be much deeper and much worse.

I said that there were positive signs. I mentioned one of these, namely local leadership. I challenge anyone to compare the sense of leadership of the Acadians in northeastern New Brunswick with that of any other area of the country. The difference has its roots in our history and in sociological and economic conditions. Our condition is different and we should concentrate on other things, on problems which are different. This may not be as sensational or as far-reaching, but it is nevertheless very important.

The awareness has been there for a long time and we are trying to cope with the matter. But the negative publicity to which I referred is extremely prejudicial because it describes us as a society without future or direction. The effect is that the people, especially in southern New Brunswick and the remainder of Canada, are concerned about us, but that negative attitude does not help us at all.

There is yet another aspect which can still be more harmful. If others consider us as lost and without direction, it is not so bad after all, but we could become convinced, as our young people, that it is impossible to survive, that the problems are insuperable.

It is extremely difficult for community leaders to keep a positive and confident attitude before such a negative and distorted picture.

I hope that the awareness and negative manifestation will not give rise to an inhibition which the area will never be able to extricate.

I would like to conclude by urging the media to talk about our problems and our area so that they might understand, but I also urge them to give equal time to the efforts made by the people themselves in the area to solve these problems and to say that they are digging into them. The result will be a better understanding of the situation and confidence on the part of the Canadian public instead of unease towards solving our problems. And, even more important, the population will become confident and will stay positive.

Madam Speaker, repeatedly negative descriptions can only kill the morale of this region.

Before concluding, I would like to talk about a specific question because it is impossible in such a speech to outline all the subjects that deserve attention and that concern my riding. I must therefore choose and mention the most important one.

Fishing is not the only important element of our economy, but it is that which touches the greatest number of people. That is one of the reasons for our being proud of the nomination of my colleague from Westmorland-Kent to the position of Minister of State for Fisheries.

In the field of fisheries, in my opinion, we should as soon as possible, as the minister has already announced, implement a stabilization program for fishermen's income. The present unemployment insurance program is a far from adequate answer to the problem.

We must also ensure reasonable prices on the market. Through the use of different procedures, we must also make sure that the market, especially the American one, does not unduly exploit our resource so that the industry might pay the fishermen an adequate price and the factory workers, an adequate salary.

Madam Speaker, we must encourage increased production at home, especially for finished products. We must make a special effort to encourage the setting up of an integrated food industry. Institutional meals and food based on fish protein can be prepared just as well in our area as elsewhere. The government has only to provide for transportation costs caused by the fact that we are far from our markets and for other occasionnal costs which might be incurred from time to time.

But the most urgent problem that requires particular attention at this time is the lack of harbour facilities. Ships grow bigger all the time, require more and more wharfage and deep water, yet port facilities remain almost the same.

One must admit that the federal government already started to do something for deep-sea fishing in Shippegan, but the fishing industry still has serious and costly problems to face in Lamèque and in Caraquet.

As regards coastal fishing, something is being done also but there is still much more to do to improve many important fishing ports. In some cases, digging is the most urgent thing, but the wharves are far from being satisfactory.

I asked the Minister of State (Fisheries) (Mr. LeBlanc), my colleague from Westmorland-Kent, to watch the situation closely and if the estimates available to him are not adequate to solve the problem in a few years from now, I believe the government will have to make a special effort, either through the Department of Regional Economic Expansion or otherwise, as the development of the area should begin with upgrading the fishing field. As I said before, that is the part of our economy that affects the greatest number of people. Forests, agriculture and mines are also important in our area and the Department of Regional Economic Expansion will have to increase its efforts to improve the value added of those resources in the area. It must also keep on implementing the road improvement program and all the other services needed by the population to keep the economic development going.

● (1550)

[*English*]

Mr. Stanfield: Madam Speaker, I apologize for interrupting, but there is a rule that speeches be limited to 20 minutes and my understanding is that the hon. member has spoken beyond that limit.

The Acting Speaker (Mrs. Morin): The time allotted to the hon. member expires at 3.57. He has one more minute.

Mr. Breau: I have finished, Madam Speaker.

The Acting Speaker (Mrs. Morin): The Chair recognizes the hon. member for Edmonton West (Mr. Lambert).

Hon. Marcel Lambert (Edmonton West): Madam Speaker, I am glad we have been able to come to an agreement that speeches be limited to 20 minutes. Perhaps there was a slight breakdown in communications to start

with, but we hope we can catch up so that everybody who wishes to speak will have the opportunity to do so. We would like to have as many members speak as possible, at least those from this side of the House. Also, I understand the Parliamentary Secretary to the Minister of Finance (Mr. Cullen) has a list, as long as both arms, of members who wish to speak. So I think we should get on with it.

In beginning my remarks this afternoon I wish to underline and reinforce as much as possible what was said by my leader yesterday about what I consider had its origin more last May than on November 18. This question deals primarily with taxation of the resource industries. The minister made some changes from what he said on May 6, but they are merely crumbs. I know the working capital position of the Canadian independent company may be helped and those few companies which may be able to obtain capital will perhaps embark upon limited exploration programs. They may be able totally to recover their expenses now, whereas such would not have been the case under the May 6 budget.

However, the problem is much deeper than that. I find it astounding that the minister, who has been to Alberta many times since May 6, has not the comprehension that I thought he had with regard to the nature of the oil industry. This is not a debate on the oil industry, but so far as the cabinet is concerned I wish it would take a lesson in fundamental economics with regard to the industry. Perhaps some members of the cabinet understand it, but for some blind reason they have decided that the government should take this course, perhaps to punish or try to punish the province of Alberta because of its stand on oil and gas, since it has not toed the line in respect of the demands of the Prime Minister (Mr. Trudeau).

This problem did not start in May; it started last September when a grievous error was committed by this government in respect of the resources belonging to a few provinces. This government took unilateral action without consulting the provinces. There is the first sin of omission—lack of consultation with the provinces. The government decided to act by imposing a price freeze and an export tax. At the beginning the government did not know what to do with the export tax. I remember that when we came back to parliament the Leader of the Opposition (Mr. Stanfield) suggested there should be a uniform price for oil and that the Atlantic provinces and Quebec had to be held firm. This was agreed to by the Premier of Alberta. There was no quibble about that at any time. I find it rather naive on the part of the parliamentary secretary who spoke before me to suggest that the province of Alberta would take advantage of the situation and profit off the backs of fellow Canadians. That has nothing to do with it.

Mr. Breau: I did not say that.

Mr. Lambert (Edmonton West): It has been said so often that we are sick of hearing it. The Minister of Finance (Mr. Turner) did not learn one lesson from the May 6 budget; he did not learn one lesson from the election campaign so far as the provinces affected are concerned. What is the situation? The first ministers of the provinces of western Canada have rejected in the last few days this barefaced raid on their resources. There is no way the minister can escape that fact. The government talks about co-operative federalism. The minister was part of the administration a few years ago which thought it had invented the term co-operative federalism. With regard to taxes, the Government of Canada has the right to change the Income Tax, but we are concerned here with corporate taxes regarding which the provinces have an equal right. Yet unilaterally the minister will change the corporate income tax structure.

● (1600)

We will find out about that argument when it develops and see whether the minister has so much freedom that he can change the level of taxation without the consent or co-operation of the provinces. I am absolutely repelled by the thought of the struggle that will take place. I see headlines such as the one in last Tuesday's Edmonton *Journal* about Alberta cancelling the oil agreement. They have the right to do that. The only trouble is that the minister himself would like to have changed the policy on oil royalties, but unfortunately he found himself in a corner and so did his colleague, the Minister of Energy, Mines and Resources (Mr. Macdonald), who is in an even worse corner. I think we should send the Secretary of State for External Affairs (Mr. MacEachen) ahead of the Minister of Finance if he should go to Alberta. As a matter of fact, I would like to see the Prime Minister go back to Calgary. He thought he received a warm reception in the month of May or June, but that was a tea party compared to the kind of reception he would get now.

We have indicated in our resolution that this budget includes measures which strike at the heart of unity in this country. I was never more serious in underlining those words. I would have liked the minister to visit Edmonton with me and circulate among the people. He would have learned their reaction during the election campaign and later. I can promise the minister that it will take a very long time for this legislation to pass. Many features of this budget repeat those of May 6. Some of these measures, such as some aspects of the personal income tax and some of the reductions, had merit. But here again I must temper my congratulations by saying that the combination of runaway inflation with a tax system that feeds and battens on to inflation gives the minister all sorts of scope to be generous.

Even with these tax cuts and the claim that hundreds of thousands of taxpayers will be removed from the tax rolls, is it not a fact that the tax yield for 1974-75, on the basis of the reductions and the additional exemptions, will be 27 per cent higher than it was in 1973-74, just through a combination of a bad tax system and inflation which this government does nothing to control? Total government tax revenues will increase 32 per cent—by$5,517 million—on the basis of the tables of budgetary revenues introduced by the minister Monday night. Corporation income tax will go up 42 per cent; Customs duty, 26 per cent, and other duties and taxes—that is, where the export tax is hidden—will go up 105 per cent, for a total of $1.446 billion. That is the increased take from the pockets of Canadian citizens and Canadian corporations.

The total is $5,730 million in additional budgetary revenues that will be siphoned off. No wonder the minister can be generous. He can take the tax off clothing and foot-

wear, as he did—and that was a real performance, a real comic opera. They could not take it off during the election campaign, but a week after the election results were in the tax was taken off.

Mr. Turner (Ottawa-Carleton): At that time we had a mandate again: that made a lot of difference.

Mr. Lambert (Edmonton West): Mandate, my eye! There was only a mandate in two provinces so far as the government is concerned. Now there is the removal of 6 per cent of the tax on building materials. I wonder why there was only this halfhearted gesture. There is the repetition of removal of the sales tax on certain types of construction machinery, municipal water distribution equipment and a number of other things. That is fine, but again it is only to be expected because the minister has so much latitude due to the heavy overrun of government revenues. Did the minister not forecast a deficit of $450 million last May? Last September there was a budgetary surplus in revenues of $560 million, for a total of $1 billion. The minister was going to follow the instructions of the throne speech; there was to be a restriction on government expenditures. How will he swallow that billion dollars? I would love to find out.

There is very little time left, but let me say that I would have thought that, since reference was made to consensus and we have had all this talk about inflation, why did the government not take the people of Canada into its confidence to fight inflation along with them, in partnership? There was such a call from the provincial ministers. It was rejected out of hand by the Prime Minister, who said that the provincial premiers were impotent. What an insult! Yet a week later he invited them to a long lunch. That is not the way to deal with the problem of inflation, if it is the important problem that is outlined in the budget speech. To deal with inflation takes preparation and it calls for united action, not only among governments but with industry, organized labour and everybody else. That would be arriving at consensus.

● (1610)

However, what does this government do, Madam Speaker? It hides its head in the sand. It hopes that the problem of inflation will be swept under the rug. It applies band-aids here and band-aids there, hoping that the people will be appeased by some goodies in the budget. That is the reason our motion is designed this way. We acknowledge there are some good things in the budget.

Mr. Gillies: There is nothing.

Mr. Lambert (Edmonton West): My colleague says there are not. I would simply say that they are pleasing to a few taxpayers, but as far as dealing with the problem of inflation is concerned there is absolutely nothing.

Mr. Cullen: What are you going to do?

Mr. Lambert (Edmonton West): What am I going to do? The minister was hollering about a mandate a few moments ago: the problem is yours.

Mr. Cullen: That is not an answer. We want to know what you think.

[Mr. Lambert (Edmonton West).]

Mr. Lambert (Edmonton West): This government was elected. If they want the opposition to provide the solution, that is another thing. But it is a most amazing and fatuous way of dealing with the problem. This government was elected to govern, and they turn around and ask us what we would do. What a way to act! This motion indicates that nothing is being done to deal with the problem of inflation. It sets out, in its provisions with regard to the resource industries, to rend this country apart and strike at the heart of confederation. Madam Speaker, I commend this motion to all members of the House, those who want to think about it, those who go beyond blind adherence and cupidity in so far as the policies of this government are concerned.

Mr. W. Kenneth Robinson (Toronto-Lakeshore): Madam Speaker, it is a great privilege for me to have the opportunity to take part in this debate on the budget. I believe this is one of the most crucial and difficult budgets a Canadian finance minister has ever had to present. It comes at a time when the international financial and economic situations are in a state of turmoil and near chaos, when there is an increasing sense of frustration and despair, and when there has been a significant slowdown in economic activity while inflation continues to rage and the balance of payments deficits of oil importing countries soar to potentially disastrous levels.

While it is true that Canada has not been as directly affected as many countries in terms of oil imports and crop failures—which are the major causes of the present international predicament—still, due to our position as one of the world's great trading nations, we are extremely vulnerable to the unpredictable winds of international economic developments. With this background of uncertain and adverse developments from abroad, the minister's normally difficult task of providing economic and fiscal leadership and direction for Canada has increased immeasurably. However, it is my belief that he has succeeded admirably.

Madam Speaker, my training has qualified me in several spheres. However, the few economics courses which I took in university, and my not always successful attempts at managing the household budget, are not sufficient to enable me to discuss Monday evening's budget in the detail which I would like. However, there are many on both sides of this House who do possess the qualifications to do so, and I look forward to their comments with interest and no small degree of envy. For my part, I would like to discuss the budget in terms of its impact on the constituents I represent.

Toronto-Lakeshore, the constituency I have the honour to represent, is situated in the borough of Etobicoke, one of the six boroughs which comprise metropolitan Toronto. The trouble with representing a Toronto riding is that everyone lumps you in with the 20 or so other Toronto ridings. However, while many concerns and interests are common to all metro ridings, the degree and intensity of these concerns differ from constituency to constituency, and while the people may not readily identify with a federal electoral district as such, they do identify with communities and neighborhoods within that district. It is in the setting of these communities and neighborhoods

that interests and problems are articulated and priorities established.

In Toronto-Lakeshore there are six distinct communities: Mimico, New Toronto, Long Branch, Alderwood, Queensway and Sunny Lea. Undoubtedly, the predominant concern of the people of these communities, as it is with most Canadians, is inflation measured in terms of soaring food prices, lack of moderately priced housing, record high mortgage rates and the day to day battle between the individual's pay cheque and rising costs. However, because of the economic, social and demographic composition of the communities, their priorities, although sometimes similar, often differ from those of other metro ridings.

The constituency I represent has a high percentage of senior citizens and, as such, measures to protect this group from inflation are continually being pushed. I was particularly pleased to see two such measures in the throne speech, namely, the elimination of the earnings test on retirement pensions for persons aged 65 to 70, and the payment of allowances to spouses aged 60 to 65 of old age security recipients.

An hon. Member: It is not enough.

Mr. Robinson: It may not be enough, but at least it is a start in the right direction. The budget contains a number of measures which should go a long way in lessening the impact of inflation on our senior citizens. The $1,000 exemption for interest and dividends, although available to all taxpayers, will have an especially beneficial effect on the elderly, who very often have much greater dependency than others on this form of income. The $1,000 deduction for pension income will come as a welcome tax relief to the elderly.

The same is true of the provision which will permit the transfer of the age exemption from one spouse who does not require it to the other who does, when completing the income tax return. I would like to see more of this kind of realistic and practical government flexibility in other programs. A final point before leaving this subject. I hope the government will act during this session to provide increased funding for senior citizens housing. There is a great need for more of this type of housing in my constituency, and I am sure this is true of many other constituencies.

However, I must say I was pleased with the emphasis the Minister of Finance (Mr. Turner) placed on housing in his budget. The proposal to produce 200,000 houses or more per year is commendable. The reduction of the sales tax on building and construction materials to 5 per cent, and the removal of the sales tax on construction equipment and on materials used in municipal water distribution systems should reduce the cost to the home buyer. The registered home ownership savings plan and the $500 grants to those purchasing new, moderately priced housing units will enable more Canadians to purchase a home. These measures and others contained in the budget should provide much needed stimulus for residential construction.

Another aspect of the housing situation which has attracted a considerable amount of interest in Toronto-Lakeshore is development designed to rejuvenate existing homes and neighborhoods; for example, the Laburnam project. I commend the Department of Urban Affairs for the increasing emphasis it is placing on this kind of project and ask them to encourage more such projects in the future. I would hope that Laburnam would be followed through and completed.

Madam Speaker, the overwhelming proportion of my constituents are middle-income earners many of whom are unionized. There has been a growing demand among union members that some form of cost of living allowance—COLA—provision be written into their labour agreements. There are certain serious weaknesses with the COLA provision, such as the consumer price index which is the basis of measurement and tends to underestimate the effects of inflation on lower income groups and overestimates its impact on higher income groups. Nevertheless, it remains perhaps the only acceptable mechanism to protect workers committed to long-term contracts.

While I am on this general subject I would like to say a few words about the growing number of strikes and lockouts, particularly in the public sector. I feel the public's patience and understanding in this regard is nearly exhausted. In terms of their number, disrupting effects and cost, strikes have reached an intolerable level. The point has been reached where management, labour and government must seek other alternatives. I am hopeful that before this parliament is over, progress in this direction will be made.

● (1620)

I have mentioned that a high proportion of my constituents are middle-income earners in the $8,000 to $15,000 a year range. During the past year or so I believe there has been growing resentment among this group; young couples beginning a family, the trained, experienced workers buying a home, and university graudates starting their careers feel that government has forgotten them or, worse, is taking them for granted. These people find themselves caught in the middle at budget time, with tax relief going to the lower income groups in order to assist them with inflation and to business enterprises in order that they may sustain or expand economic activity and employment opportunities. They feel their hard-earned tax dollars are spent on programs aimed at other groups and other interests, and too often they find serious abuses and inefficiencies in these programs.

Although I do not agree entirely with these sentiments, the fact is that this is how a growing number perceive the situation. This middle-income group has traditionally been the strongest supporter of social programs and legislation. However, I fear a backlash has been developing against certain such programs. Without the support of Canada's middle-income earners, new, needed social legislative measures will be in jeopardy, if not doomed. The government must act to wipe out abuses and inefficiencies in existing programs. In the same light, it must show or ask companies to show that tax concessions and other assistance to large businesses are not just increasing profits but, rather, are creating more employment and/or providing reduced prices to the consumer.

We must again provide some form of incentive for middle-income earners, incentive which many of them believe is now absent. All too frequently I come across university

graduates who are on unemployment insurance or welfare. They find the opportunities to employ their talents are too few, the rewards too small and the alternatives both attractive and available; that is, welfare and unemployment insurance. I believe the budget which the minister presented Monday offers more to the middle-income earner than has been offered by any other budget in a good many years. A great many of my constituents will be able to look at a number of measures which are contained in this budget and say, "That is good for me." The most obvious of these measures are the personal income tax cuts. While the greatest benefits will be received by lower income earners, and rightly so, these tax cuts, both this year and in 1975 will assist most Canadians.

I have already mentioned other measures which will directly assist many middle-income earners, such as the housing initiatives aimed at reducing the cost and increasing the accessibility of home ownership, the interest and dividend deductions and other proposals such as the Canada Savings Bonds provisions which are designed to protect an individual's savings. In addition, there is the removal of the 12 per cent sales tax on adult clothing and footwear, implemented last July by order in council, along with sales tax reductions on a number of items ranging from buses to bicycles. I congratulate the minister for the removing such tax. I know that metropolitan Toronto will benefit from this measure: we need many buses and a great deal of subway equipment and I am happy to note that such equipment will not be subject to tax.

Although the Minister of Finance did not specifically mention in his budget speech the needs of the Canadian forces, I should like to do so at this time. It is my understanding that to perform the tasks outlined in the 1972 report, the Canadian forces will require a minimum strength of 82,000 personnel, together with the replacement of obsolete and obsolescent equipment, as well as the provision of new, sophisticated equipment required to keep our forces up to date. I hope the minister will also find funds to provide the expertise, ships, planes and ground forces to more adequately guarantee our sovereignty from sea to sea and in fact from our shores to the 12-mile limit and even out to the 200-mile limit, because we must project our fishing rights and the environment.

I began, Mr. Speaker, by giving a brief description of the world's severe economic situation which was the setting for the budget. The Minister of Finance said that the world is "in a fragile and precarious state, suffering from severe inflation and the gathering forces of recession." I should like to conclude by saying that the need for international co-operation has never been greater, if we are to avoid international catastrophe. This need for co-operation and joint action was reflected during the past year by such gatherings as the Law of the Sea Conference in the summer, the recent World Food Conference at home and other international economic meetings.

Unfortunately, the potential of these gatherings has been undermined by petty national and regional jealousies and interests. Just last week we had a demonstration of this with the United States placing quotas on beef and pork. History has shown that attempts to provide this kind of unfair protection for national producers during periods of economic uncertainty have snowballed, resulting in economic and social disaster for the international community.

I congratulate the Minister of Finance for his budget presentation last Monday night. It provides needed leadership and determination in the fiscal field, yet contains the flexibility needed to cope with unforeseen international developments. The measures incorporated in it will, I believe, have a beneficial impact in the fight against inflation while at the same time guarding against recession. Finally, I see the budget as an optimistic appraisal of Canada's potential and, at the same time, a realistic assessment of the dangers we must face.

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, the Minister of Finance (Mr. Turner) took it upon himself to show the government team in its true light. Within a few hours, the minister served-us a speech, that is the budget speech which, while professing to be a government program, constitutes paradoxically a condemnation of the government by the government.

Throughout his speech, the minister managed to expose the hoax the people had already started to suspect. He recognized having misled Parliament through his erroneous forecasts, which he naturally attributes to others, the international context, the weather, poor crops throughout the world, monetary difficulties, market fluctuations, the price of gold and God knows what else!

He admitted having deceived the people who do remember that the right hon. Prime Minister (Mr. Trudeau) once condemned the removal of the 11 per cent tax on building materials. He particularly deceived the population by suggesting that he would lead a fierce battle against inflation, while today, dropping the gloves and worrying about a possible recession rather than about the present inflation, he leaves the battle before the first round has even been called.

Mr. Speaker, ever since 1968 until now, the Liberal government never had the intention nor the desire to control inflation. Never mind that, we, under the leadership of the leader of the opposition, to whom I wish to pay a tribute for the stirring speech he made in the House yesterday, will not give up.

● (1630)

[*English*]

One need be neither astute nor very suspicious to see this budget as the first step in a carefully planned and orchestrated game, a game that the Liberals have been playing for some time with our country and our federation. This budget, if we look at its highlights and provisions carefully, treats inflation as a trifle, something to acknowledge but not really worth seriously worrying about. The various provisions of the budget move in every direction so imperceivably that it is impossible to glean exactly the direction in which the government is going or the direction the country should follow.

This document comes from those wonderful people who offered Canada leadership, that strange, elusive quality that only the Liberals can offer and, as we were told by their hucksters, only they can deliver. This budget has done for statesmanlike leadership and economic leader-

ship what the Boston strangler did for door to door canvassing.

Some hon. Members: Hear, hear!

Mr. Wagner: However, let us leave this staring gap in the budget provisions and look closely at the one thing about which there is no doubt in this budget no doubt in the mind of the Minister of Finance and no doubt in the mind of the Prime Minister (Mr. Trudeau). The big red machine, in all its grandeur and arrogance, is picking a fight. Those gunslingers, the Minister of Finance and the Prime Minister, with the itchy trigger fingers have saddled up and are eager to do battle with the people of Alberta. In any event, the big red machine seems prepared to fire the first shot and keep its guns loaded.

I suppose, Mr. Speaker, they figure that Alberta is Alberta and only Tories come from Alberta, so why not take them on. The real people, the Liberals' heartland of support—the golden triangle and central Canada—will be proud of the way the big red machine takes on the oilmen of Alberta: it might even push the machine a few points up in the polls.

Let us consider who the brave Minister of Finance is really aiming at in his budget. Alberta and her rights to the development of secondary industry and a renewable and consistent economic base happens to be one target. But there are others. What about Newfoundland and her hopes for royalties and development, thanks to her resources; or Nova Scotia, Prince Edward Island and New Brunswick? They, too, are directly implicated: they are directly in the line of the big red machine's sputtering cannon. Indeed, what this finance minister who rides high in the saddle has really done is cast a pall of smoke over the growing hopes of maritimers for the type of mineral and resource wealth that recent encouraging finds have given them every reason to build their hopes and aspirations on for the future. Of course, when one notes how much patronage the big red machine would lose if the maritimes enjoyed an economy that DREE would not have to support, one can understand the big red machine's desire to scuttle any hopes there.

The people of Quebec, how well they are served by their gunslinging representatives in the federal cabinet! The Quebec caucus of the big red machine may think that the Prime Minister and the Minister of Finance are taking aim at Alberta, but closer examination reveals that those Quebec members who think they are looking out over the gunsights at Alberta are really looking into a mirror.

Some hon. Members: Hear, hear!

Mr. Wagner: How they serve confederation! How they stand "solide", as they used to say, as their leader takes away their province's mineral and resource rights, along with those of other provinces! The Minister of Finance always boasts that he seeks example budgets from many Canadians of all walks of life. That is, indeed, an admirable practice for such a straight-shooter. But I have to wonder—indeed, I have to ask—whether the section on resource taxation read by the minister in the House might not have been written by René Lévesque. As a former resource minister, Mr. Lévesque knows full well how much Quebec's prosperity and economic growth depend on its natural resources, and that a threat to those resources would aid in so many ways the separatist cause.

No province, no territory, no group of Canadians who seek or enjoy improved services through their provincial government can escape the effects of the budget's implications. It is, as I said, an old game, a game steeped in victory for the red machine, a game bathed in cynicism and deceit. The Liberals have always liked what confrontation does for them politically. They have always liked painting things black and white, choosing sides and watching the opinion polls come their way. The Minister of Energy, Mines and Resources (Mr. Macdonald) did it in 1973 during the energy crisis that never was, and indeed the red machine's figures at the polls jumped high enough for them to coast home in July of 1974.

The Prime Minister, when minister of justice, built his reputation on confrontation with his own province. In more devious fashion they did the same thing in 1970, overreacting and spreading panic by their own extremism. But oh how their popularity soared and they coasted through on that. I would like to have more belief in this government, more belief of this Minister of Finance; but I say there is no basis in fact for any faith whatever.

Some hon. Members: Hear, hear!

Mr. Wagner: There is a basis in fact and a basis in history to believe that this government will seek in every way to manipulate this battle, to exaggerate its proportions and to extenuate its circumstances so as to reap maximum partisan gain. Our hope, Mr. Speaker, lies in the ability of Premier Lougheed and the other provincial premiers to work out meaningful options based more on public interest than the self-serving options of this minister and his government.

● (1640)

Once again I say that leadership is not being exercised by the federal government—only brinksmanship of the worst order. Leadership in the form of statesmanship will have to come from other sources and other major levels of government in Canada. My leader exposed yesterday the duplicity of this government, duplicity which covers everything from personal conduct—I need not give any examples—to insincerity of commitment and purpose.

This budget is another example of that manipulative ability, common to Liberals, to divide the nation while campaigning as great unifiers once the divisions they have begun are established. They have sought to divide Francophone from Anglophone when it has suited their purpose. Now they have returned to their old target—confederation itself. As the government seeks to divide Canada into easterners and westerners, producers and consumers, exporters and importers, as they seek to label their enemies and patronize their friends, as they seek to wreak dissension and disunity, I am confident, Mr. Speaker, that your compatriots and mine will remember that, above all, we are Canadians—Canadians who have worked out our problems before, patched up our differences and risen above the chameleon qualities of the demagogue and the political huckster.

They will recall how long we have striven to achieve the unity of purpose and sanity of approach which have pro-

tected and nurtured our nation's growth and development. Let us remain resolved that these little men who sit opposite shall not tear us asunder.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Wagner: Mr. Speaker, there is a verse in a very well known song by Gilbert Bécaud which says: The train we take always takes us somewhere. Well, the train of the supporting measures which are found in the budget speech of November 18 is taking Confederation straight into bankruptcy.

I want to consider for a while the interference of the federal government into the area of natural resources, for this is indeed a case of real interference.

After having pondered over the possibility of meddling with exchange markets, carried out, through its URBEX projects, a general offensive in the area of urban planning, tried to lay its hands on the income which may flow from the development of off-shore mineral deposits, the government becomes excessively centralist in a number of chapters of the communications file, assuming increasingly more jurisdiction in a clearly cultural area, interfering at the level of territorial development through its community programs and what have you. This federal administration has finally decided to deliberately and off-handedly tackle the provincial governments through its taxation of resources.

By brutally asserting that royalties, taxes and other payments to provincial governments will no longer be deductible from taxable income at the federal level, the present federal government itself is violating the national energy agreement reached last March or, at the very least, is jeopardizing the survival of national consensus in the name of equity between east and west.

Of course, this way it is first of all reneging on the deal with the producing provinces of Alberta and Saskatchewan. But, at the same time, it is calling down upon itself the collective anger of the premiers of this country. The government, by this violation of the spirit and the letter of British North America Act section 109, is opening the door to a major constitutionnal conflict which will have a decisive effect. Reactions are already piling up and I shall spare the House that subject. In fact, they are coming from all corners of the country.

It is equally clear that Ottawa is looking for a confrontation and will get it.

Assuredly the present federal government, besides putting aside the limits that it imposed upon itself when formulating the long promised and awaited-for policy which is self-evident if we consider Bill C-32 and the new budget, wishes and is looking for a showdown. To be sure, if they had wanted one they would not have done otherwise.

With the government refusing to allow royalties paid to provinces as deductions for federal income tax purposes, the Prime Minister of the country has proved his inadequacy in building Canada's more and more complex future. It might well be that he is not interested in it anymore.

Here we are in Canada, Mr. Speaker, with a Prime Minister presumably elected in 1968 to tighten the bonds of national unity and he is speaking pocketbooks when he is talking about a policy which could lead Confederation to the brink of the precipice.

It is under the same Prime Minister who boasted of taming the Parti Québécois, of "having no good done" to young impatient Quebecers and who at first was elected because of that, that Quebec has seen its independentist movement rise like a meteor. He has no more managed to tame the P.Q. than he has managed or wants to manage to tame inflation. It is under this same Prime Minister that western alienation is gaining steam.

Had the present paradoxical, cynical, Machiavellian, Prime Minister of this country chosen to prove the non-viability of Confederation, he would not have proceeded otherwise.

The Minister of Finance in his unilateral approach in the field of resource taxation missed a fine opportunity to both promote exports and loosen up federal-provincial relationships.

The Trojan horse that has become the equalization program—there is talk of $253 million more for Quebec, but that is not sure—must not put to sleep either provincial governments or responsible authorities. One Trojan horse trick in history is enough.

Before concluding, because I will not be repeating here points that would be relevant to this debate that I had ample opportunity to express on November 4 last, I like to think that the Quebec government in particular will not be prepared to sell its rights. Let it realize that one day it could be its turn. Let it not wait to react firmly, officially and publicly. Let it not wait until the federal government glances at the power and mining resources in Quebec. The claims, and even more so, the legitimate aspirations for any "sovereignty", for obtaining increased powers, must all resist the federal millions.

Mr. Speaker, perhaps for the first time in the history of this country, provincial governments must understand and use the weapon of disinterested, total and open solidarity on an acceptable compromise in face of a central government which seems to be stricken with political panic and whose recent reelection can already be viewed as the greatest disservice in modern times Canadians did themselves.

● (1650)

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we are discussing this budget at a time when the world faces more serious problems than it has faced at least since World War II. In the underdeveloped parts of this world—Asia, Africa and South America—hundreds of thousands, if not millions, of people face death by starvation. In the industrialized part of the world—North America, western Europe and Japan—we see recession on its way or presently existing. Italy and Great Britain are faced with financial crises the like of which they have not seen for the last 200 years. Japan, that post-World War II miracle, is faced with unemployment and a sharp increase in costs with which they do not know how to deal. Our neighbour to the

south, the United States, a country to which we sell most of our exports and from which we import more than any other country in the world, is now in a recession.

Let me put on the record a couple of paragraphs from last Sunday's New York *Times* outlining the situation in the United States. Industrial production—output of factories, utilities and mines—dropped six-tenths of 1 per cent in October, but this figure does not reflect recent large cutbacks in automobile production. During the July-September period, the gross national product slipped 2.1 per cent, the third consecutive quarterly decline. During October the dollar total of the country's payroll increased less than in September, a strong sign of recession, says the *Times*. Automobile sales were off more than 38 per cent in the first ten days of November, a more severe decline than had been expected. Unemployment, 6 per cent in September, continued to rise. And so on.

Despite these facts, the Minister of Finance (Mr. Turner) brings down a budget essentially the same as the one that he presented in May, six months ago. The minister is engaging in parlour games while forces are massing which can shake this country to its roots. Yet the minister picks this very time to enter into a constitutional debate with the provinces, the consequences of which no one can foresee, with perhaps a battle in the courts that will take years to resolve. Instead of getting together with the provinces in order to work out an agreement to share revenue collected by the federal government as a result of the sharp increase in oil prices, the Minister of Finance makes a unilateral decision which in my view is constitutionally not permissible.

Instead of the government dealing with the real economic problems facing the country, this parliament, the press, radio and television as well as the public are to become engaged in the battle between the Prime Minister (Mr. Trudeau) and the Minister of Finance with all the provinces. I do not intend to spend much time on this question since members from all parties will be discussing it. I simply say I find it strange that the Minister of Finance is proposing to adopt a policy that will permit Imperial Oil to pay royalties to Canadian Pacific Railway if it drills wells on CPR land, and will permit Shell to pay royalties to American owners of land or to Indonesian owners of land if Shell drills well on the soil of those two countries, yet will not permit those companies to deduct royalties paid as a business expense if they drill wells on land belonging to the provinces of Alberta, Saskatchewan and Manitoba. This seems a strange way for the Government of Canada to do business.

In his budget the Minister of Finance is assuming that Canada can avoid the recession that is plaguing other countries. In the little pamphlet issued by the minister entitled "Budget... in Brief", we read the following at pages 4 and 5:

> With the benefit of measures in this budget, and with no unforeseen deterioration of the economic environment abroad or unforeseen shocks at home, the Canadian economy is expected to grow at a rate of about 4 per cent in 1975.

That is a completely unrealistic estimate. The OECD has estimated that Canadian growth in 1975 will not be 4 per cent but will be in the neighbourhood of 1 per cent. As a matter of fact, in a report that appeared in the Montreal *Gazette* a day or two ago, based on statistics issued by Statistics Canada we are told the following:

> The government yesterday issued sombre figures on the economy suggesting there was little or no growth in the year's third quarter, and the economy may even have gone into reverse.
>
> With economists forecasting a still poorer performance in the final quarter of 1974, the Canadian economy could face two quarters of negative growth—which would technically qualify as a recession—this year.

What is happening in fact, Mr. Speaker? A couple of days ago Chrysler of Canada announced that 1,700 Chrysler workers in Canada will face lay-offs as a result of the six weeks' cutback in production by the Chrysler Corporation of the United States. If auto sales in the United States do not pick up—as I have already indicated, they have dropped by over 30 per cent—these lay-offs are likely to be extended. At the time when this is happening in Ontario, the number of workers laid off in the forestry industry in British Columbia rose to over 15,000 last week, an increase from 14,719 unemployed at the beginning of the month. The Council of Forest Industries, in releasing these figures, said that the unemployment rate in the industry had reached 17 per cent of the total work force.

This is not surprising, Mr. Speaker, because housing starts in Japan, the United States and Canada have fallen disastrously. The Minister of Finance proposes to do very little about this. What plans does he have to deal with this growing cancer of unemployment and recession? As far as we can tell from his confident, ebullient budget, he has none. Five months have already been lost since his May budget, and I suggest that six months from now we will be presented with another budget which will attempt to deal with the recession into which we are heading.

I suggest that the Minister of Finance should have come before the House this week and said that his department, the Department of Regional Economic Expansion and the department that deals with housing, are calling on the provincial governments to prepare, now, the detailed plans that are required to be put in effect next March and April to deal with the situation if unemployment continues to grow in Canada. I believe unemployment will increase, and most economists say it will if the recession in the United States, Japan, Great Britain and Italy continues to grow worse, and every indication is that it will.

● (1700)

What the minister should be saying is that he is not prepared to encourage the private sector of the economy by tax concessions, of which it has already had too much, to take up the slack, but if necessary he is prepared to implement plans, which should have been prepared by the provincial governments, to pour into the Canadian economy a sum of money, which economists have estimated should be in the neighbourhood of $2 billion, for direct projects to put people to work doing things and creating facilities required in the form of houses, roads, recreational centres and community projects. These are the things we need.

What has the minister done? He has placed emphasis on expansion of the private enterprise system. He proposes to continue giving massive tax concessions to the corporations of this country whose profits have been and continue to be high. Just a few days ago the Toronto *Globe and Mail*

carried a story, the headline on which was "Profit of Industrial Corporations Shows Smaller Year-to-Year Gain". However, if we read the story we see:

> After-tax profit of industrial corporations in the third quarter amounted to $2.31 million, up 27.5 per cent from a year earlier, Statistics Canada reports.

The minister called on workers who will be receiving a $50 tax rebate in the coming year to be moderate in their wage demands. What did he do for the corporations whose profits have increased by 27½ per cent in the third quarter of this year as compared to the third quarter of last year? He gave them more tax concessions. Mineral fuels, which I presume means the oil and gas corporations, had increased profits of 45.9 per cent in the third quarter of 1974 compared to the third quarter of 1973. For the first nine months of 1974 their profits were up by 37.7 per cent. The minister gives them more tax concessions, but tells the provinces he intends to squeeze them when they try to increase their royalties from oil companies. Then if the oil companies cannot pay more money, the minister says the government will squeeze the provinces rather than the oil companies.

What about the individual? The personal tax reduction and exemptions the minister is proposing are regressive. They provide greater benefit for the higher income groups and will only exacerbate the existing standards in respect of income. The combined effect of tax indexing, the reduction in the rate on the first $500 of taxable income from 12 per cent in 1974 to 9 per cent in 1975, and the general tax rate reduction in 1975 mean that for a single taxpayer with an income of $6,000 the tax saving in 1975 will be $183. For a single taxpayer with an income of $30,000 the saving will be $651. Where is the equity in such a proposal?

In the case of a married taxpayer, with two children under 16 years of age, who has an income of $6,000 the saving will be $214 in 1975. For a similar person with an income of $30,000 the saving will be $622. I wish that the Minister of Finance, when he was thinking about his budget, had read a speech made by his colleague the Minister of National Health and Welfare (Mr. Lalonde), because in a speech which that minister made to the Empire Club in Toronto he showed how badly we have dealt with the people of this country. He showed how great the disparity in income still is in this country after all these years of Liberal and Conservative, but mostly Liberal, governments.

Let me summarize what the Minister of National Health and Welfare said in his speech to the Empire Club in Toronto. He noted that in 1972 there were one million families with incomes under $5,500 a year in this country. Those people live in what has been classified by the Senate Committee, headed by a Liberal, Senator Croll, by the Economic Council of Canada and by Statistics Canada, as poverty. Those families, which represent 20 per cent of all the families in Canada, received just 6 per cent of total family income that year. At the same time the 20 per cent of families at the upper end of the income scale, with earnings over $15,400 a year, received 39 per cent of all family income.

The one-fifth of the families at the top of the income scale had incomes which were six and one-half times as large on average as the one-fifth of the families at the bottom of the scale. These are national totals which do not reveal the even more serious income distribution inequities among people in various regions. However, these figures show clear evidence of the problem which must be faced.

How did the Minister of Finance face this problem? He faced it by increasing the disparity between people at the bottom fifth of the income scale in favour of the top 40 per cent. This is what we have come to expect from Liberal governments and from this Liberal Minister of Finance. In the so-called just society—a phrase I think the Prime Minister wishes he had never picked up from his speech writers—this is the kind of tax proposals we get from the Minister of Finance at a time when we face tremendous inflation.

When people in the bottom 40 per cent of the income scale find it increasingly difficult to pay for the bare necessities of life, the minister comes forward with a budget which will give the greatest benefit to the people in the top income brackets and which will give the least benefit to those at the bottom. It is for these reasons I, and members of this party, certainly intend to oppose the budget, vote against it, and will continue to call on the Minister of Finance to face the real problems of this country which are increasing unemployment, increasing inflation, and increasing poverty for most of the people.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I think every member of this House has a commitment to all the people of this country. I believe we differ only in the method of achieving the desired ends.

Let me state first of all that I have a great deal of respect and admiration for some hon. members on the other side of the House, especially the hon. Member for Prince Albert (Mr. Diefenbaker), the hon. members for Halifax, Oshawa, Nanaimo, and the hon. member for Winnipeg North Centre (Mr. Knowles). I think they will go down in our parliamentary history, as I believe the great progress the Government of Canada has made in past years is due in part to their contributions in this House. However, I cannot understand anyone who suggests that the budget presented the other day is not a good, sound document designed to benefit the majority of the people in Canada.

● (1710)

The people of Canada knew this government would present this kind of budget, and that is why they returned this government to power with a majority. But each one of us here, both on the government side and in opposition, has his own ideas about what is best for Canada and what should be done in the future, and it is during this debate that we make our views known.

So that you, Mr. Speaker, will more fully understand the general content of my remarks, let me first state that I represent the district of Gander-Twillingate in Newfoundland. My district has 88 communities on the map. In actual fact it comprises 146 smaller entities; in some cases three and four separate communities exist under one name on the electoral district map. There are only a dozen of these communities that have any form of industry other than

the fishery. In the majority of instances there is no real industry.

All of us here in this chamber look upon the budget in the framework of how it applies to the majority of the people we represent. Within this framework I am concerned about the underprivileged, the primary producers, those on fixed incomes, those who in many cases have not a hope in the world of improving their lot under existing circumstances. For even while we can legislate changes in taxation, income and social benefits, there is no real assurance that the benefits are passed on to the people. There exist the business community and provincial governments which sometimes operate in direct opposition to our legislation.

Let me state first of all that I have been concerned that, mainly because of a vicious taxation structure in some provinces over the past several decades, we have had a regressive tax structure in this country. What does a regressive tax structure mean? On a graph it says that those who make the least, pay the most in real income through taxes in one form or another. I, like other members, have wrestled with this problem for some time. I have conjured up visions of negative income tax and guaranteed annual income structures that would correct this grave injustice.

We must remember, Sir, that while we sit in this chamber a vast minority of our people sit at home wondering where their next dollar will come from; in fact many of these homes have large families and they face a never ending struggle for survival. The real crime respecting their situation rests in the fact that many are primary producers.

On the other end of the scale we have seen, over the past decades, the emergence of the newly rich, those who hold, because of their position in society, monopolies of one form or another. They have become rich because of our system. How did they get their money? Was it by the sweat of their brow? Was it by making two blades of grass grow where one grew before? No, as far as actual production is concerned they do not toil, neither do they spin. They sit in their stylish offices and watch the money roll in, Mr. Speaker.

More people want more. The selfishness of one class of our people must be checked by government. To see the starving millions in this world, for me, as a member of this House, to visit homes in my district where parents and children sit around the table with only bread and tea on it, not even any butter, that is a crime. It makes an even greater crime when, 100 feet away, is the ocean where there are tons upon tons of fish, such as herring, mackerel and capelin. But because private enterprise does not see fit, there are no fish processing plants. In some communities where those fish are being caught, we still operate on the feudal system, as is the case in my district. That is, the boats come in from Norway and other parts of the world, including other parts of Canada, load up the raw material, and send it back to us the next year, canned, charging sometimes 100 times more per pound than it cost the processors.

This government, in two budgets, has tried to right some wrongs. It has attempted to cope with the critical situation of world inflation. It has been among the more successful governments in doing so. In two budgets it has said, "We will try to correct inequality, we will offer greater social benefits, we will decrease taxation for the majority of our people, and we will try to increase production."

Our course is in the right direction. A guaranteed annual income for all Canadians in some form appears possible in the future.

This is a vast country with a multiplicity of problems, and we cannot always achieve justice. The Treasury Board knows that regional rates of pay for federal employees in Gander do not go over big with me, whereas they are a great thing for western Canada. The Minister of Manpower and Immigration (Mr. Andras) is aware of the fact that to place the same stiff rules on unemployment insurance recipients in Alberta, where 30,000 jobs are vacant, and on recipients in Gander-Twillingate, where no jobs are vacant, is simply not fair play.

The Minister of State in charge of Fisheries (Mr. LeBlanc) realizes that when money was paid for loss of time due to ice last year, those fishermen unfortunate enough to be on welfare because of the ice conditions had that federal money deducted from their provincial welfare cheques.

The Minister of National Health and Welfare (Mr. Lalonde) knows that family allowances given to those on welfare in Newfoundland are deducted from their welfare cheques, and that the new increase in January will mean nothing to those on the welfare rolls because of provincial regulations.

The Minister of Finance (Mr. Turner) knew when he proposed income tax cuts on the federal level that our provincial income tax went up four months ago by 11 per cent.

So, while the federal government is doing its best to equalize opportunity in this nation, the provincial governments have a role to play as well. The position that we hold, of trying to equalize opportunity federally, means that certain provinces have to give more to help other provinces, that certain groups in Canadian society must give more to help others less fortunate than themselves, and that we as a nation must, in the name of humanitarianism, be prepared to offer our food surpluses to those who are dying of starvation, and the problem of who gets what, when and how, must be dealt with in our method of distributing foreign aid.

What then does this budget do for the long run? We should never be accused of treating the symptoms and not the disease. All governments, for too long, have been blaming the mirror for not being a window when they see such inequalities in this country. The Minister of State (Fisheries) is looking at the income stabilization program for fishermen, and the Minister of National Health and Welfare is looking at some form of guaranteed annual income for Canadians.

The government, in this budget speech, has clearly stated its concern to deal with the real problems. The tax cuts on production equipment, the continual use of the Department of Regional Economic Expansion to encourage production, the continuing funding of AHOP, the shifting of the tax burden on to the shoulders of those who can afford to pay, all this augurs well for the future.

In the case of my district my duty here in the House, in committees and behind the scenes, will be to try to impress on everyone the importance of the government playing a greater role in initiating industry, looking for the potential resource development areas, and then actively doing what private enterprise will not do. The provincial government of Newfoundland and the federal government have come together in a co-operative effort to create secondary industry without the immediate rip-off of profit going into someone's pocket.

● (1720)

All the rotten eggs of the Egg Marketing Board do not amount to the value of fish that go untouched in the waters of any one of the outport communities in my riding. The relative importance of many things must find new perspectives. The value of an individual, and his stake in this country, should not be determined by how much money he has in the bank, but better by how many children he has—what is the size of his family.

The 100 per cent write-off for exploration expenditures, the 50 per cent national tax rate for resource industries, the sales tax on building and construction materials reduced to 5 per cent, the capital cost allowance on new, multiple unit residential buildings for rent, to be claimed against any source of income, the federal sales tax on construction equipment and on materials used in municipal water distribution systems eliminated, the new registered home ownership savings plan, the $500 grants for new moderately price homes, the federal sales tax on transportation equipment removed, the two year write-off of new machinery for manufacturing and processing, the first $1,000 of private pension income exempt from tax, a 10 per cent surtax on corporate profits, special excise taxes on high energy consuming vehicles, the elimination of the sales tax on clothing and footwear, new tax incentives for small businesses, and tariff reductions on consumer goods—all will benefit the majority of Canadians, and will go far to eliminate the inequality within and between provinces.

Mr. Cecil Smith (Churchill): Mr. Speaker, it gives me great pleasure to speak in the budget debate. While the budget may be of some help to certain areas in Canada I feel it is of little or no help to the people of the Churchill constituency which I represent.

The constituency of Churchill covers some 200,000 square miles of central and northern Manitoba. The population is in excess of 85,000 people spread out over 75 communities. The physical make-up of the communities is as varied as you will find in any part of Canada. The one seaport is the port of Churchill located on Hudson Bay. I say this for the benefit of those members who have not yet visited our area.

The federal and provincial governments are in the process of rebuilding that entire community, with improvements in housing and recreational facilities. This revamping of the community, however, has put a burden on the people in that they are now unable to meet the high taxes and rents required for new housing and recreational facilities.

[Mr. Baker (Gander-Twillingate).]

The town of Churchill has undergone drastic change, but the people there claim they had no part in the planning. This is what happens when governments take over and try to improve facilities and communities; the people are pushed aside. They were given no opportunity to participate in decision-making, nor is there any evidence that they will be given this role in the future as Churchill is now classed as a government-owned and government-run town.

The port of Churchill is the only bright spot in the economic future of this community, but the government is not planning fully to develop and utilize this port. At present it is capable of handling some 40,000,000 bushels of grain during the shipping season, which runs from July 20 to October 20. Due to poor planning by the Wheat Board, however, only 22,000,000 bushels of grain were shipped through the port during the past year.

When grain is sold to a specific country by the Wheat Board I believe that the Wheat Board at that time should designate a date on which the grain is to be taken from the port of Churchill. During last year there were sometimes as many as eight boats in the port of Churchill waiting to be loaded, and at other times there was not a boat in sight for eight or ten days. I think the government should ensure that the facility is used to its full capacity.

A sound economic base must be developed so that people can work for a wage on which they can live. During the election campaign I said that people who live in the north should be given a northern allowance to offset the high cost of living there. An allowance of this nature would be an incentive to attract and keep people in the north.

The budget provisions announced on Monday night will be of little or no benefit to the average wage earner in the Churchill constituency. During the election campaign we heard promises to the effect that the eligibility age for old age pension benefits would be lowered. The budget has come and gone, however, and our senior citizens still have to face those difficult years when they must depend on benefits.

There are some 20 Indians reserves in the Churchill riding, ranging in population from 200 to 2,500. Many of these reserves have no sound economic base. Even though the chiefs and councils have been pleading with the government to help the bands develop industry, meaningful training programs and self-government on the reserves, it appears that most of these requests have fallen on deaf ears, or are tied up in the bureaucratic system. The Indian people are fed up with study upon study—they want action. I would suggest that the government should start to listen to and learn from the various Indian organizations that have made formal presentations.

In 1972 the federal government granted the province of Manitoba—namely, Manitoba Hydro—permission to divert the Churchill River and to control the water levels on Lake Winnipeg and the Nelson River. When the licence was issued, little or no thought was given to the project's detrimental effects on the environment and, most important, the flooding and immersion that will be caused to Indian reserve lands along the Churchill diversion, Lake Winnipeg and the Nelson River. Mr. Speaker, the chiefs of those reserves that are and will be affected are now involved in a legal battle with the province of Manitoba. I

feel that the federal government was irresponsible in issuing this licence to the province without considering the effects that such changes in water levels would have on reserves and other communities in the north.

The Indian people affected have not taken this lying down but have formed a committee, called the Northern Flood Committee, to deal with the province of Manitoba concerning the flooding of reserve lands and other problems relating to their fishing and trapping rights. The former minister of Indian affairs and northern development granted funds to the committee, but these are now depleted. The committee has submitted a proposal for further funds to fight the flooding of the reservations. The chairman of the flood committee is in Ottawa today, trying to get funds which were originally promised so that he could continue with his job. As I say, these funds were promised during the campaign. They were to be approved last week, but that approval is still pending.

● (1730)

Let me now deal with mining in the constituency of Churchill. Really, mining is the backbone, the economic base of my constituency. We must always remember that mines are not discovered and developed overnight. The abortive budget of May 6 would have put the small prospector or small mining developer out of business. The budget of November 18 has not changed this situation. Large mining companies in my riding are now as vulnerable as the small prospector or developer.

The high cost of living, together with actions of provincial and federal governments, has squeezed mining companies to the point where they feel they are not getting a reasonable return on invested dollars, and will be forced to cut back. Cities and towns have been built around mines. Many communities are one-industry towns and depend completely on the mining industry. In excess of 35,000 people in northern Manitoba and in the riding of Churchill live in mining towns. These people, I feel, live in such communities because they like living there and because they enjoy a feeling of security.

After the May 6 budget many people living in mining communities became uneasy. They felt insecure and were uncertain about the future. This uncertainty caused many people this past summer to leave mining communities and seek employment in other fields. The result has been a shortage of miners in my riding. The budget of November 18 has further aggravated the sense of insecurity of people working in the mining field.

Governments say they want a fair share of the national pie. Considering the high cost of living, we must ask what is a fair share of the pie? Let me put some figures on record to show what I mean. Both federal and provincial governments in Canada received substantial net benefits from mining development, especially from development in the constituency of Churchill.

The federal government, during a 12-year period, received accumulated revenues of $407 million and spent only $7.8 million, receiving a net benefit of $339 million. Is that what you call fair sharing of pie? The province of Manitoba, during the same period received accumulated revenues of $78.5 million, and incurred expenditures of $13.4 million. The province's net benefit was thus $65.1 million. Provinces other than Manitoba also received benefits from mining development in my constituency although they did not incur expenditures. The accumulated total of these benefits reached $81 million by the end of 1971. From the foregoing figures it is easy to see how important mining is to northern Manitoba, especially Churchill, and that mining is indeed the economic base of the region.

May I now deal with northern Manitoba's fresh water fishery. I feel that such a fishery could easily employ an additional 150 to 200 Manitoba residents. That is the potential. Many lakes in northern Manitoba are stocked with fresh water fish such as trout, pickerel, whitefish and so on. The federal government has become involved in the marketing of fresh water fish in Manitoba. I am not convinced that the board is doing the job for which it was established, for the simple reason that a bureaucracy has become involved in the handling, processing and sale of this fish. I feel that the government should establish a standing committee of this House on the fresh water fisheries of Canada, which should be separate and distinct from the committee which deals with the salt water fisheries, as I do not think the fresh water fishery of Canada has been given adequate attention.

May I now touch on transportation in Churchill. I do not think any part of the country can be developed properly unless it is served by a good transport system. Northern Manitoba at present is served by a railway and a form of road. Our overland transport systems are limited. Basically, the area is served by aircraft. Aircraft are the only means of transport for isolated communities.

The airport at Thompson, Manitoba, is being used beyond capacity because of overcrowding to the point at which it is unsafe to land aircraft or fly passengers out from there. In July, the airport handled 5,200 landings; it is handling, on average, 4,000 landings per month. We acquired a new control tower at the airport, however, as air transport is vitally important to my constituency, I feel that the expanded facilities requested by municipal authorities and the town fathers should be made available. I submit that the government should consider expanding these facilities immediately.

I wish to register a complaint concerning the Air Transport Board. As aircraft are so important in meeting our transport needs, I suggest that changes in procedure are required if we are to licence aircraft properly so that they may carry passengers and freight. In some cases carriers have had to wait up to eight months to have their applications processed by the Air Transport Board. Such delays constitute gross neglect on the part of the government, especially as aircraft are so important in developing northern areas which rely almost totally on aircraft as a means of transport.

I also wish to voice a complaint concerning television in the riding I represent, and I do not intend to make anyone feel that I have anything against French-speaking people. Lastt week in Flin Flon a notice appeared stating that the CRTC would hold a hearing in Montreal on December 10 to have a second television channel in The Pas and Flin Flon. This second channel will be French. It will be a rebroadcast from CBWFT St. Boniface. The people in Flin Flon were appalled at the notice appearing in the paper

with no consultation whatsoever with the people of Flin Flon or The Pas, especially when Flin Flon and The Pas combined have a population of only 8 per cent whose mother tongue is French. There are many people whose mother tongue is French; however, their children neither speak nor understand French.

● (1740)

I understand the cost is to be an initial $78,000, plus operating and rental costs. I wonder whether it would be possible to put this toward a second English channel in my constituency or, with 15,000 Cree Indians in the constituency of Churchill, possibly we could have a second channel in Cree. This would probably make a little more sense.

When talking about inflation, cutting government costs and so on, I wonder how we can justify an expenditure of this amount for such a small portion of the population. Perhaps this is a policy that has to go ahead and maybe I have no way of stopping it, but there are many people in my constituency who would support a second English channel. I do not believe many will be watching the French network.

The forest resources of the constituency of Churchill are also a very important aspect of our economy. I am sure all members have heard of Churchill Forest Industries. Perhaps everything they have heard has been bad. However, if you visit The Pas, Manitoba, you do not hear too many bad things about it because it has created a lot of jobs for people in northern Manitoba. This is what we have been pressing for, more jobs for the people of the north. We want the people of the north not only to have a place to live, but we want them to call it their home. You cannot develop a home by just coming up there, trying to make a fast buck and leaving. We want people to come there and stay.

The forest resources are going to be depleted if we do not get some help. I plead with the government to provide some help to protect those forest resources. I understand that in Quebec there are several CL 215 water bombers to protect the forests. In Manitoba we have a couple of old Canso aircraft that are not in very good shape. They have been through a few wars. I believe there is now an application from the province of Manitoba to have two CL 215's for forest protection during the summer. I have worked for the forestry department for years, and I certainly support the request for the two CL 215's.

Mr. Marke Raines (Burnaby-Seymour): Mr. Speaker, on the occasion of my first speech as a member of this distinguished assembly allow me, at the outset, to express appreciation for your role. It is, as we all know, a most difficult one.

I also congratulate the Minister of Finance (Mr. Turner) for presenting a most commendable budget. I am particularly pleased by the minister's commitment to restrain growth in government expenditures and his proposals to reduce personal income tax, protect savings and sustain capital investments. I am sure these proposals are welcomed not only by my constituents, but by all Canadians.

I wish to pay tribute to those who represented Burnaby-Seymour in past parliaments, most notably the Hon. Ray Perrault who served so well as the federal representative of this riding from 1968 to 1972. He set high standards, and a tradition of service which I will do my best to live up to, Mr. Speaker.

There is much to be done in Burnaby-Seymour. This is a riding where we see the need for many essential services. Railway overpasses and rapid transit are yet to be provided. We are part of a metropolitan area. There is one point I would like to stress. Our LIP allocations in Burnaby-Seymour are serving two significant purposes, taking people off welfare and unemployment insurance, and providing aid to a great number of noteworthy social and environmental projects. There is much yet to be done in Burnaby-Seymour and in Canada, and I share the expressed eagerness to get on with the job.

In the House of Commons on October 2 of this year the Prime Minister (Mr. Trudeau) called for a major reform of parliamentary procedure if liberty and democracy are to survive. I would also like to see a major reform in order that I may survive.

Some hon. Members: Hear, hear!

Mr. Raines: To say that I have been appalled at the time-consuming procedures this parliament must go through to accomplish anything is putting it mildly. While I, perhaps, could accustom myself to juggling my time so that I may be in three or four different places at one time for a 10, 12 or 14 hour day, and in many cases a seven day week, I agree that there must be a better way.

It was suggested that we abandon outmoded ideas so that parliament could express the will of the people efficiently and completely. The proposals for reform included, among other things, strict limits on debates of non-controversial bills, television cameras in parliament, and the exploration of other modern ideas such as electronic voting. I hope that since we are now living in a very fast-paced world, my colleagues will not wish to remain saddled with government machinery of a bygone age.

There is one change that gives me great hope and optimism. That is the fact that television cameras will be allowed in the House of Commons early next year. Once the public gets a picture of the procedures under which the government of Canada must labour—the unwieldy, cumbersome and time-consuming procedures—I think there will be no problem in getting public approval for reform, indeed, public demand for reform.

The Prime Minister outlined a series of proposals to speed legislation through parliament, and he hoped that "members of parliament would give at least an expression of support". Today I want to go on record in wholehearted support of these proposals.

It is in the exploration of other modern ideas that I am most interested, especially in the matter of using some of our communication machinery, with the co-operation of parliament and the public, to help unite Canada, to expedite the business of governments, to keep Ottawa in touch with the people and to bring together in matters of mutural interest the municipal, provincial and federal governments.

It is for this reason that I feel it is urgent in the extreme that the federal authorities retain full control of the communications systems in Canada. Some provinces have

been asking for jurisdiction over cable television, but I feel most strongly that to ensure that broadcasting remains in the national interest, control must remain a federal concern.

● (1750)

If federal control of cable television is lost it could mean the balkanization and fragmentation of Canada. The BNA Act has already separated us in many ways, but I believe that with a strong federal authority to guarantee the national interest, and with good communication and good will between the various levels of government and the people, many difficulties can be overcome.

To illustrate the need for a direct link of communication and co-operation between Ottawa and the provinces let me mention one problem now in the field of education. Because of the BNA Act education is a provincial matter, and each province has its own standards and requirements. In our extremely mobile society many students face difficulty in moving from one province to another, and university students generally lose credits if they transfer from one Canadian university to another. I feel that students should be able to transfer freely across Canada from one accredited university to another without losing credits.

Some hon. Members: Hear, hear!

Mr. Raines: If anything, it is my opinion that because they are experiencing and learning in new environments and coping with new ways and cultures they should gain credits. This is a question which would require co-operation between all the provinces, and a strong link of communication between Ottawa and the provinces could expedite the matter.

Communication is the key. The complexity of modern problems and the need to solve them quickly is going to require parliament to have a forum in a communications system which will receive and send information to the provinces, a system which will strengthen Canadian unity, a system which will not only seek and find answers from a limitless fund of information, from the most enlightened minds, but will receive and distribute vital information to every part of Canada.

These are only a few things that cable television could do, and because cable could become the principal vehicle of broadcasting to Canadians it is vital to keep it in federal hands. Meanwhile Canada has a national system of broadcasting—the CBC. And with some prodding, the CBC may, like Rip Van Winkle, waken to find itself in today's world. I would like to see the CBC gear itself to new and high demands, because the CBC could be a bridge to unite Canada more than the Canadian Pacific Railway lines united Canada in the past. The CBC could educate, stimulate, create understanding and appreciation of different cultures, places and problems.

The potential of the CBC is boundless, but it must come out of its torpor, its housekeeping bureaucracy. It needs, like any creative enterprise, constant changes and infusions and nourishment. I do not think the CBC has had many changes, infusions or nourishment to speak of for a long time.

Some hon. Members: Hear, hear!

Mr. Raines: In the past the CBC has had its moments of brilliance. But it has a great deal to answer for, Mr. Speaker. British Columbia and the other provinces—I might say, all of Canada except Toronto—have been shamefully neglected on the national scene. It is a fact that Canadian talent generally has had to go south of the border, or to England or Europe, to gain any recognition or have a chance to perform.

The CBC has failed to create mutual understanding of the French and English viewpoints, when it should have been obvious that the two cultures could have been introduced to each other gradually with diplomacy, tact and humour.

Today, in spite of the fact that it has been forced to devote a certain percentage of time to Canadian content, the CBC seems unable to provide Canadians with the creative outlet we so badly need and want. In any Canadian city, any Canadian small town, any rural community, you will find talent that should be on radio or television. Yet the picture I receive on my set consists of reruns, empty and soul-less movies from the United States, and sports.

Where is there any suggestion of a search for a better world? Where is the vision that should be expressing itself in songs and plays? Where is the attempt to explain and interpret British Columbia to the rest of Canada, the west to the east, and the north to the south? The CBC has a lot of catching up to do. It must become a dynamic outlet for Canadian talent and energies, a force for making things better in Canada.

Summing up, Mr. Speaker, I repeat my support for parliamentary reform. I believe it was Nietzsche who said, "Any truth lasts for only 20 years". And governments, like people, should be continually appraising and rethinking ways and means of achieving their priorities and goals. I urge this parliament to retain jurisdiction over the Canadian communications system, including cable television, and to make new and high demands of our national broadcasting system.

I ask all hon. members to consider the brave new world that our new miracles of communication could bring about. The potential for useful exchange of information, carried across Canada and with other countries, is boundless. We have the machinery, we have the hardware. Now, all we must do is to remember the philosophy which admonishes us "to make no small plans—they have no power to stir men's minds."

Some hon. Members: Hear, hear!

Mr. Ritchie: Mr. Speaker, may I call it six o'clock?

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Gordon Ritchie (Dauphin): Madam Speaker, the timing of this budget is somewhat different from those of the past six years that I have been here. I do not think it is

an anti-climax to suggest that we are now facing a real recession for the first time in six years, though many other countries in the world may be facing a depression.

In Washington, President Ford has finally agreed that the United States economy is winding down and a recession is present. It is interesting to compare President Ford's policy with the policy brought in by the Minister of Finance (Mr. Turner), which is entirely different from the measures taken in the United States as well as different from what the British, under the Labour government, have introduced for their country.

President Ford appears to be sitting tight, with no basic change in policy for the present. His policy is to let business run flat, even to take a slight downturn, so as to cool off prices. He wants to squeeze inflation out of the economy even if it means a recession; he is afraid that unless inflation is conquered it could well double when business recovers. The assessment of business in the United States seems to be for a continued slowdown for the rest of this year, and perhaps into May and June of next year. There is substantial evidence in the United States that prices are rising less quickly.

The budget of the Minister of Finance is quite inflationary. He claimed the other night that he was avoiding the risk of uncontrollable inflation and, at the other end of the stick, the risk of a serious recession and massive unemployment, which he assured us was inhuman. Thus he told us he would take a middle course in order to assure a good economic performance.

What do some of the people who make economic forecasts say about this budget? Mr. Beigie of the C. D. Howe Research Institute says that he is increasingly skeptical and concerned about Canadian policies dealing with inflation, especially now that Canadian inflation has become cost-push, caused, with a few important exceptions, by higher costs rather than by a situation of too much money chasing too few goods. He says that Canada seems to be adopting the view that its inflation problem will be cured by the United States exporting the anti-inflationary effects of a United States recession.

Mr. Beigie went on to say that such an approach assumes fairly close parallels between the economies of our two countries, especially as regards wages, but that those parallels do not in fact exist. The United States labour movement has accepted wage increases so low as to result in an actual decline in the real income of workers. Canadian labour, he says, has not done this. Canadian wages have risen faster, and the wage gap has narrowed between our countries without corresponding changes in productivity.

What has the minister done to control inflation? He has had some flattering suggestions, such as that the government "reconcile the various competing interests in our society," that there be a "national consensus comprising self-discipline" and a "good measure of political courage." The minister is courageously going to have a deficit on national accounts of $1.5 billion in 1975-76. The forecast in May was for a deficit of $160 million. The inflationary gains made by the government now show there is a $250 million surplus. Surely this indicates that through the government's inflation-generating tax collection agencies there will be much more money put into the economy than was the case six months ago. Even the Minister of Finance admitted this when he stated last May that his 1974-75 financial requirements were estimated at more than $2 billion. These requirements are now only $1 billion, which is a reflection of increased government revenues derived through inflation. This is the effect inflation has had on the government. Government costs have increased. The government, however, is the big winner in the inflation lottery.

[Mr. Ritchie.]

● (2010)

While there has been unemployment of over 5 per cent there is a great increase in job vacancies. The government is unwilling to look at the effect unemployment insurance and other measures have had on the number of applicants for positions in the labour force. There is no doubt that there is a need to examine the effect of the Unemployment Insurance Commission and other agencies in order to discern whether the fairly high unemployment rate and the large number of job vacancies are an indication of malfunctioning of the labour market.

There is one aspect of the budget which, while in itself it is not large, yet it is part of what I believe to be an unhealthy way of creating savings. I refer to the possibility of saving $1,000 a year before tax, in respect of buying a house if the money is used for this purpose. This is a laudable objective but it certainly creates distortions with regard to savings. It is agreed that savings are necessary if our economy is to function. However, it has become increasingly obvious that our economy is not functioning well when provision must be made for pre-tax savings in order to generate enough capital. That is one of the great difficulties concerning our economy.

Long ago the government introduced the retirement savings plan and pre-tax deductions with regard to employee pension plans. The government now intends to introduce the home ownership assistance plan, as well as the exemption of tax on the first $1,000 of interest and dividend income. We have had the indexing of many of our pension plans. All of this is creating what I think will be quite an intolerable situation.

We continue to accept a tax system which is basically pitched against savings and in favour of spending. The most revealing aspect of this situation is to be found in the extent to which the generation of savings, employment, financing and economic growth is becoming dependent on the government's willingness to defer taxes. The economy should be capable of generating sufficient savings after taxes to finance both continued renewal and continued growth. By this standard the Canadian economy is in trouble and inflation exacerbates the condition.

Much of inflation is directly attributable to the rapid rise in government spending, and the capacity of the tax system to generate government revenues at rates consistently in excess of what was projected. The long-term implications of a system whereby savings for investment are becoming realizeable only to the extent which our government is prepared to defer taxes on current income, registered retirement and savings plans, a plan of this type of home ownership and equity investment, are admissions that the tax system is too onerous. It can be said that Canadians have cause to worry over the budget. It is now

generally conceded that Canada will be lucky to reach 4 per cent real growth in the next year.

There is nothing in the budget to contain inflation. The government apparently is content to allow the United States recession to spill over and act as a restraining influence on Canadian influence. We now have real cost-push inflation. United States unions are accepting much lower increases than are Canadian unions. They are even accepting increases which represent less than the actual cost of living so that the workers receive less real income than previously.

In Canada, on the other hand, we had a settlement in the neighbourhood of 60 per cent in respect of the grainhandlers' dispute, and similarly at the Lakehead the grainhandlers are asking all that was received in Vancouver, plus a good deal more. Government spending is out of hand. There is no evidence in this budget that the government is involved in any kind of curtailment of its own cash requirements. In the next year it is widely forecast that food costs will rise and will be one of the main inflationary factors, but there is absolutely nothing in the budget to help the farmers produce more food.

Mr. Bruce Whitestone, writing in the Kitchener-Waterloo *Herald Record* had this to say:

> . . . there is increasing awareness of the likelihood of a business slump. Both rhetorically and actually, thus, anti-inflation policies have been accorded a secondary position.
>
> The main aims of the budget, stimulating the economy to resume its growth and produce jobs and to convince the nation, especially the business community, that it is being done responsibly, are unlikely to be achieved.
>
> A great deal of emphasis is placed on increasing supply as a means to combat inflation. Aside from the dubious validity of this approach, the food sector has been all but ignored by this budget.
>
> Yet, food costs have risen more than any other sector of our economy with the exception of energy prices, and there is every prospect that food prices will be the single biggest inflationary factor in 1975.
>
> No steps were proposed to assist farmers with easier credit or to encourage them to cultivate new land. Similarly, livestock producers received no encouragement from this budget.
>
> At the political level, Mr. Turner is up against a central question of contemporary political economy. The commitment to full or nearly-full employment entails inflation sooner rather than later to a rate which erodes purchasing power faster than the government can augment increases. This time around, the budget does not grapple with this key question.

I think this is one of the great problems in respect of this budget.

Now I wish to turn the subject of the taxation of the resource industries of this country, particularly oil and gas. It is perhaps fortunate, at least for western Canada, that there happens to be oil and gas in that part of Canada. I think the treatment of these resources is of paramount importance to the unity of this country and to the form of Confederation.

If this taxation is mishandled we may well see serious if not fatal strains on the confederate structure of Canada. Western Canada has always felt alienated from the rest of the country, but since the days of Louis Riel strong forces have been at work to tie the west to central Canada, and to make it desirable, if at times unpleasant and unremunerative, for western Canada to be a part of the country's confederation.

Western Canada is not old in the settled sense. It was settled in the beginning by people from Ontario and people from the United Kingdom in the early years, followed by the massive immigration of central Europeans. The single common element which bound together this heterogenous group of people was the British tradition of government, institutions and the Crown. However, in recent years these British institutions have all but disappeared as Ottawa has attempted to establish a sort of distinctly Canadian identity. But western Canadians are not able to take part in this identity. They feel estranged from the symbols and the institutions of central Canada. I think the adoption of the maple leaf in Canada's flag is an example. The maple, as such, is not present in the largest part of the land mass of Canada, certainly not in western Canada. It is a peculiarly central and southern Canadian symbol.

Similarly the attempt to disassociate the British symbols of the Crown and the royal attachment has tended to cut adrift the traditional symbols of the west with which westerners could identify. Up until a few years ago while westerners may have been dissatisfied with confederation largely they regarded themselves as protestors. They hoped that by making their voices heard by blocs of votes they would rectify some of their grievances. This was the main motivation behind the agrarian revolt of 1921, the rise of the Progressive Party, followed in the depression years of the 1930's with the splinter parties, the CCF and Social Credit. But until recent years those who might have favoured some sort of independence or remoteness from the government of Ottawa were not many and were considered local autonomists. Recently there has grown up a great doubt on the part of many western Canadians concerning the value of association with confederation. They cannot be dismissed as crackpots or irresponsible people.

In recent years the finding of natural resources in the west, and the fact that through much of the world small countries are as happy or happier than their largest neighbours all have given rise to a desire for more independence for the west, and at least for a variation of the structure of confederation. I think if we should ignore this, we would do so at our peril. The imposition of the taxes on the oil and gas industries will have a horrendous effect on the economy of the west and its future development.

The desire of the government to have a much lower price for oil within Canada than the world price, for an undetermined length of time, is placing great strains on western credibility. It is all the more senseless when it is realized that the cheap supply of oil and gas in western Canada is very limited and will last a few years at the most. Not only will this action of the federal government make for extremely bad relations with the provinces and with the west, but almost certainly it will lead to a shortage of gas and oil that will make us more dependent on offshore oil. Gone now are the halcyon days when we could expect cheap oil and gas from the tar sands in Alberta.

● (2020)

The minister stated that Ottawa would reduce its share of the tax by his abatement of 10 per cent of the provincial tax, and would further reduce it by a resource profit abatement which, for 1974, would be 10 per cent, for 1975,

12 per cent, and for 1976 and the year thereafter, 15 per cent. This means that the net 1976 federal tax rate will amount to 25 per cent. In the oil economics of today, this means that in 1976 the federal tax rate would be 25 cents a barrel less than it is today.

The minister also lessened the tax for exploration expenditure and depletion allowance. But in not allowing royalties to be a traditional deductible business expense he has reversed a principle of confederation. If Ottawa is to move in such a wholesale fashion with regard to one provincial jurisdiction, what about all the provincial jurisdictions?

This headlong confrontation with the provinces can only spur the provinces to protect their rights as best they can. They could use provincial Crown corporations which have traditionally been exempt from taxation at the federal level. The Minister of Finance stated in his budget that any province which sought to nationalize industry and thereby capture the revenues for itself should think about it carefully, because in such cases the federal government would have to consider the taxation of such Crown corporations.

This statement smacks of a direct desire of the administration to club the Conservative government of Alberta in particular, to conquer the westerners once more and take their resources from them. It is all the more important to westerners considering the great troubles they encountered, to assume control of resources in the 1920s, since on joining confederation they were not allowed to consider their resources as being under their own jurisdiction but had to bargain for them.

The hydro industry has been taken over by the different provincial governments. The minister could have attempted another approach. He could have attempted to work out with the provinces what the definition of royalties should be, and how much they should be taxed. He should have worked out with the provinces at what level royalties could remain deductible for income tax purposes. The government can take that matter to the Supreme Court, but it seems likely that in view of the makeup of the Supreme Court and the appointment of the Chief Justice, the decision will be favourable to the federal government. But, in the long run, the provinces will have to throttle back oil and gas production and in that way eventually natural shortages will force prices up to world levels.

There is another part of the resource industry which has not been touched upon, and that is mining. The mining people are caught in the dispute between Ottawa and Alberta, and this affects all provincial jurisdictions. This budget is dangerous because, for the first time, it has led to a collision between our two main forms of government. The existence of confederation is at stake, and this problem must be resolved if peace in this country is to be achieved.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Madam Speaker, it is with great pleasure that I take part in this budget debate and this, for a number of reasons. One of the main reasons is that it is taking place in historical circumstances, when world events are steeped in uncertainty. In view of these circumstances, this may very well be the most important budget speech in the history of Canada. Besides, the minister himself indicated nearly openly his concern for and helplessness about our economy which is deteriorating due to increasingly stronger pressures. Moreover, as a desperate shift, he seems to attribute to international forces the responsibility for the future of the Canadian people.

Madam Speaker, I shall explain myself later on this matter, but I want to emphasize first of all that my remarks will be bearing the stamp of objectivity, while setting out as equitably as possible everything which appears to me to be abnormal or inconsistent in the measures proposed by the minister.

First of all, I intend to discuss the main points of the budget speech and, in particular, some of the minister's proposals. Later on, I shall discuss the international situation, to which the minister addresses the thrust of the current debate. I want to show that the picture he has drawn up is far from complete, and that the minister has failed to mention some extremely important factors.

As a whole, the present budget contains proposals which are sound basically. One might, at first glance, be tempted to endorse them. Still, those measures must be analyzed carefully, and criticized in the light of the imperatives dictated by the context in which we now live. Only on that condition can we really judge, in the final analysis, of the value of the budget.

With regard to the minister's proposals on personal income tax, I must say that they are sound generally, and I recognize that they are well founded. Madam Speaker, I even congratulate the minister in this regard. Still, I can reproach him one small thing: they come too late for us to hope for any marked beneficial effects.

As we know, Madam Speaker, when a sick person has urgent need of a doctor, the latter's arrival is beyond value. But when the patient is already dead, or when he has reached the point of no return, the doctor's arrival is really of very little importance. This is how the personal income tax measures strike me.

● (2030)

As the very moment when those measures are announced the benefits provided by them are already reduced by the increase in the cost of living and the inflation now facing this country.

The minister is perfectly right in also taking credit for reducing to 5 per cent the tax on building materials. We have been urging him to do just that for already a couple of years. Three or four years ago I was saying: let us do away completely with that tax to ensure a true respite in construction, but nothing was done. Now, after the situation has deteriorated, the minister accepts in part our proposal. That step will provide some help but a lot less effectively in the present context. Had it been adopted when we proposed it it would have its full effect today. Construction would have been a lot more active. That is a sector that affects a very large number of workers from the lumberjack, the trades, and others, without forgetting all the industries that participate in the construction industry.

On the one hand, there would have been less unemployment and, on the other, Canadians would have been better prepared financially to meet the inflationary increase that we had and have to meet. That would have been seeing ahead, and at the same time the government would have prevented the drop that now worries it about the number of housing starts. But it seems clearly to me now that those measures which would have been fine before are now quite secondary because they come too late.

Personal income tax reductions, the lowering of the sales tax on building materials, the $500 grant for a year by the Central Mortgage and Housing Corporation to any new owner of a new house, all those measures and most of the others mentioned in the budget all have the same flaw in that they come too late. If those important steps had been taken earlier Canadians would have found themselves in a position where they could get out of it, as will do in the months to come our big oil and mining companies that the minister did everything to protect. The minister himself said in his budget that he had gone out to meet those big companies and examine the situation.

He then wanted to include in the budget some measures allowing big companies to buckle themselves against market conditions while, to use his own words, providing a fair return to their shareholders. If the minister is doing such a good thing in granting special measures to large corporations, so that they can make profits, would it not have been also advisable for him to give farmers, old people, low income citizens and rental housing builders, before inflation shaves their savings, a chance to lighten their tax burden before tonight or the budget speech, to help them keep afloat and provide their budget with a fair return?

Madam Speaker, as far as the aged are concerned, the minister proposed measures aimed, as he said, at protecting savings from the effects of inflation. At first glance, it seems an excellent and comprehensive measure. However, on closer examination, the picture changes completely. It might well be that the minister wants to protect savings and indeed that could help some people.

But such is not the real problem for most aged persons, but it is rather the need of a minimum vital income. This is not a true but rather a negative form of assistance. It is not bad, but it only affects the people who already enjoy some security. But the others, majority, those who have little more than the old age pension, what do they become? Indeed, in many cases, only one spouse old age security due to the age difference. The minister does not refer to them. It is very well to protect the savings of the aged, but who will protect those who are penniless? Such is the question. This is why we say that we can consider with derision those measures meant to help the elderly. There would be much to say about the matter, but I will come back to it later.

There is another point, Madam Speaker, which I must raise. Alone, it would justify a bitter objection against that budget and it is the fact that nowhere in the minister's speech reference is made to agriculture. This is most serious in my opinion. I am against it not only because I represent a strongly rural constituency, but also because I know full well that strong agricultural action was expected at this time by all Canadians that share a real awareness of the situation.

A number of countries around the world are hit by starvation. Our grain reserves are almost nonexistent. We face serious problems concerning our egg, poultry and beef producers. Our people leave their farms while population is growing. A growing number of farmers have to go bankrupt or leave their farms. They realize more than ever their production costs are not even covered by the price at which they sell their goods. And finally, if they sell their farms to others than their sons, in comes federal income tax that takes almost everything they get for their farms, animals machinery, chattels and what have you.

At the same time our gracious and smiling Minister of Finance (Mr. Turner) proposes in this House a budget almost completely devoid of anything for our farmers, as if they were non-entities.

Some things are not clear to me. Consumers know that food prices now reach astronomical levels. Farmers know they cannot make ends meet and produce at normal costs. Finally, everyone knows from the budget speech that the Canadian government cares nothing about it.

On the other hand, the minister places much hope in international relations based on the goodwill of the countries to solve the current economic crisis. I am tempted to say to him, "Mr. Minister, you should take immediate steps to prevent your budget speech from being known to other countries." If he does not, he simply risks losing their confidence, and even being considered blind.

The minister says in his speech he has much hope on close international consultation. He even points to sharing with nations in trouble, and further states:

> Do we not have an even greater duty to conserve food in a starving world?

And during all that time in his budget he does not say a word about the farmer. And in the same speech, there is not a word about agriculture which is slowly going down the drain in front of everybody's eyes. Where is the logic? Where do we find responsibility in that? I would even go so far as to say: Where is the goodwill so necessary to correct the world situation for those who are hungry, for those who are hungry even in our country?

Canada, through its Minister of Finance, has made certain commitments to help other countries, in the agricultural field for example, and at the same time we are letting our own agricultural situation deteriorate without making a move. How will that be considered by the nation's concerned? They will have proof positive that Canada is ready to promise them anything without ever intending to deliver. Won't that just be one more good old example in humanity's history where everybody talks while nothing is done to correct an already rotten situation.

Madam Speaker, I would now like to say a word about the international situation that the Minister of Finance considers of the utmost importance to correct a situation.

With the economic corridor the government and its Minister of Finance are now entering, and for months to come, the Canadian nation is being exposed to taking on the immediate colour that very short-term world events will give it. On the other hand, this turn of events on the international stage is very closely related to the world

energy crisis and the minister indicates that the uncertainty he feels towards the future is linked to the burning and explosive question of oil.

But we may very shortly have, to take into account another factor, just as important as oil, if not more, and I would like the minister to pay attention to it, for I noticed he made no mention of it in his speech. If he did so on purpose, then he was simply confessing that he knows of no better solution. On the other hand, if he does not take it into account, we might have a whale of a surprise. I am talking about an element which possibly vouches for an even worse world situation than the oil conflict, I mean the raw materials rush.

The budget speech may be the most dramatic ever heard, not so much because of what it says, as because of some disputable points and the serious situation it hints at, and above all because it is an acknowledgment by our government of its inability to cope—even timidly—with our present difficulties. The objective outlined in it is simply to keep the country afloat and wait. Several of the suggested measures are worthwhile, but they have come too late to be successful. This is not a creative, dynamic budget which aims at initiating things, but rather a feedback budget. It is therefore an indication that the government is holding up any initiative, taking a defensive stand, and waiting for developments before it moves, and that it is relying to a considerable extent on positive changes in the world situation.

The government has already waited too long, in my opinion, to take national measures. It is waking up now, but it is too late. And the only possible solution, as we have seen, is a status quo budget which betrays a form of weakness, even if at first sight it may appear as a form of administrative flexibility.

What will now happen in Canada depends no longer on what we do according to the minister himself, but on whether or not the international situation changes for the better. But past experience as concerns the results achieved by international organizations makes us wonder what will happen. I do not wish to be an alarmist, but we must be realistic. The opening attitude of the minister, as the rest of his budget speech, shows that he no longer has any choice. All depends on the possibility of changes on an international or national level. He has little or no control over our future.

The control that we expected the minister to announce, the control of our economy, either has been forgotten or is beyond the minister's capacity. He feels that the government is unable to establish this control. The Speech from the Throne already gave indication of a strongly anticipated crisis because of the international economic situation, and the budget speech now confirms this.

● (2040)

[*English*]

Mr. J. Larry Condon (Middlesex-London-Lambton): Madam Speaker, a great honour has been done me. I am speaking for the first time in parliament, and I have been asked to speak on the budget. To be honest, I am overwhelmed to see the tremendous crowds everywhere, to see all those members of parliament who are diligently paying attention, listening, and hanging on my every word.

[Mr. Beaudoin.]

Some hon. Members: Hear, hear!

Mr. Condon: Their attentiveness is the criterion of Canadian people in action. It is important for the people of this country to know just how diligently members of parliament work in the interests of those whom they represent. Frankly, I was surprised to note how much work members do. I do not think the people back in our constituencies realize just how hard members work, how many hours they put in when they are away from home. They can only know this if they come to Ottawa and perhaps follow a member around for one day.

Mr. Stanfield: Just during the daytime.

Mr. Condon: I am grateful for the way new members have been accepted in Ottawa. The attentiveness and helpfulness of staffs, including the staff of this House, cannot be praised too highly. All have been kind to the boy away from home in the big city.

We belong to a special club, and the honour of belonging to it is something no one can take away from us. Our children, grandchildren and even great grandchildren will cherish the knowledge that at one time we, of this House, had our names on the side of a desk in the House of Commons.

I said I come from a small town. I come from Strathroy, where I served as mayor for three terms. But I am not just a small town boy; I come also from that great city which returned three great members to this House, all of whom sit on my side; I come from Verdun, Quebec.

I am fortunate to be here, being the third Liberal member since confederation to be given the honour of representing the riding now known as Middlesex-London-Lambton. I follow in the footsteps of impressive men, Mr. Robert McCubbin and Mr. Jim Lind, who have set an example I shall try to follow in the next several years.

We must remember that the budget affects people. Too often we forget that the politician who is closest to the people is not the one at the federal or provincial level, but the one at the local level. I shall try to be as close to my people now that I am a member of parliament as I was when I was mayor of Strathroy.

The budget contains important provisions which will affect sewers and storm sewers. Of course one does not go around shouting how happy one is to see storm sewers. Nevertheless, they are important for the growth of Canada, important for the growth of towns, and important for housing developments. We need more houses. The federal government has said, through the medium of the budget, that it will make money available to municipalities and enable them to push ahead with sewer programs. I am sure municipalities will be grateful for this help, as it is difficult for municipalities to use their own financial resources and accumulate enough to pay for these services.

All this shows that the federal government is aware of municipal problems. Too often governments in the past have forgotten about them. I make this point as a former mayor of Strathroy who hopes to grow, through experience, into an effective member of parliament and representative of Middlesex-London-Lambton.

Before coming here I was concerned about municipal matters; now, as a member of parliament, I must consider the wider picture which affects all Canada. That is why I say that the budget affects all Canadians. It is not designed for separate groups. It is time Canadians forgot regionalism. If we want to grow into a respected world power under the leadership of our Prime Minister (Mr. Trudeau), we must forget regionalism. I see some young people in the gallery; they know what I am talking about. They think of themselves first as Canadians, and they know the correctness of what I say more than some others in this chamber.

The budget, as I say, is for the benefit of all Canadians, including those who were not given the opportunities which you and I were given, Madam Speaker. We are obligated to help unfortunate people. If we do not, we shall not fulfil our obligations to those who are not as fortunate as ourselves. We must send food to the needy. Again, we are obligated to do this, not because we are Canadians, or politicians, but because we owe unfortunate people something—and because we have had it so damned good ourselves. This obligation, as I am sure the opposition will agree, is an ongoing one. So, let us get on with the job. Let us pass the budget, because we have work to do on behalf of the people of Canada.

[*Translation*]

Mr. Boulanger: Madam Speaker, I rise on a point of order. I have listened very carefully to the remarks of the previous speaker and he stated that the constituency of Verdun has had three representatives from the government party. However, we must not forget that the hon. member for Saint-Hyacinthe (Mr. Wagner) has also been the representative of Verdun, and I would not want the hon. member to forget it as he was a Liberal at that time.

[*English*]

Mr. Paul Yewchuk (Athabasca): Madam Speaker, I am pleased to have the opportunity to make a few comments this evening in relation to the budget, as well as to other matters occurring in the country which are of much concern to me. I think it would be fair to say that at this time the most obvious concern to me and all Canadians is the question of national unity. It is more than a coincidence that since this administration has been in power, unity within the country has been suffering in one way or another.

We started in 1968 with what appeared to be a tremendous strain on unity as a result of the method by which this administration was carrying out its bilingualism policies. It did so in a very insensitive way without concern for the various regions of the country.

Even though the intention may have been to increase unity, it in fact spread much disunity in the country. The record since that time has not improved. It has been very much the same. I can quite easily point out many examples where unity has been very much strained by this particular administration.

Let us take a look at government policies concerning relations between the federal and provincial governments, particularly relations between the federal government and some western provinces. I can be even more specific and say Alberta. About a year or so ago, when it appeared—

An hon. Member: You should speak on the budget.

Mr. Yewchuk: My friend has not been here very long. If he has, he has been sleeping most of the time. He is one of those Quebec members who sleep most of the time. If he had been awake, he would realize that during the budget debate the subjects can be very far ranging simply because the budget speech touches on almost every aspect of Canadian life. Therefore in the debate it is quite reasonable to touch on a number of subjects. I am sure Your Honour is aware of all this, but I say it for the edification of the hon. member who is new to the game and needs to be educated on procedure.

● (2050)

I want to deal with some of the other things that are creating disunity in this country. These factors of disunity are not occurring by accident. They are occurring by design. For example, a year ago the federal government decided to bring in an export tax on oil. We all know the result of that. There was a strain on the relations between Alberta and this government, simply because there was no consultation with that provincial government prior to that move being instituted.

There was then an allocations bill which tramped over provincial rights. It was conceived and put forward without any consultation with the provinces involved. We now have before the House the petroleum administration bill which does essentially the same. It tramps over provincial rights. It was conceived, produced and put forward without any significant consultation with the provinces involved.

During the recent election campaign there was a blatant and open attack on the province of Alberta by the Minister of Energy, Mines and Resources (Mr. Macdonald). He committed something like 17 per cent of Alberta's petroleum supply to a particular plant in Ontario without even so much as a telephone call to Alberta, the province which, under the constitution, is responsible for the development of these resources and, indeed, is the owner of them.

We can look at the relationship between the federal government and the maritime provinces insofar as provincial rights are concerned, with regard to offshore minerals. The same has happened there. In short, what we are seeing is a federal government that is involving itself in an open power struggle to take more and more authority unto itself.

We should look for the reasons why the government feels it must have all this authority.

An hon. Member: They were elected by the people.

Mr. Yewchuk: I do not think we can come up with a reasonable answer. I heard a comment from the member opposite, who seems to be still awake, that they were elected by the people. I ask him who he thinks elected the provincial governments? I ask him what is the meaning of the constitution? Why have a constitution which delineates quite clearly provincial authority and federal authority? Why do we have a federal government encroaching on areas which the constitution gives to the provinces? It

must be because the government is power hungry. It has a greed for power.

I am particularly concerned because this power struggle is being led by the Minister of Energy, Mines and Resources. I see him as a person who would have done very well as a dictator in the days of old when dictatorships were commonplace. They still are in some places, but they are not commonplace or acceptable in this country. That is something the federal administration fails to realize.

What we are seeing is the result of a failure on the part of the Prime Minister (Mr. Trudeau) and the government to achieve constitutional change through the accepted legal channels. In spite of repeated efforts over the past six years there has not been any success in changing the constitution through acceptable channels. Therefore, what we have is a slow but progressive change through the back door. It is a slow but progressive erosion, and invasion into areas which have traditionally been known to be provincial jurisdiction.

I am quite concerned about the technique that is being used in this power struggle, a technique of continuously provoking confrontation. It is rather interesting that last year about this time when we were faced with winter, an effort was made to provoke a confrontation between the province of Alberta and the federal government.

The federal government wanted to pit Alberta against the rest of the country. It tried to provoke Alberta into saying it would cut off oil for the rest of the country. The federal government could then run around the country saying it was the great saviour of the nation—"support us or you will freeze in the dark". That was the attitude the government took last fall and last winter. When spring rolled around the weather improved and there was not such a great hazard. The whole thing subsided. There was not much mention about it. We are now coming into another winter, and the whole thing is being started again through open and repeated provocation in the same manner as before.

● (2100)

If the intention is to provoke Alberta into shutting off supplies of energy I do not think it will succeed, because I believe Alberta is showing greater concern over the national interest than is the federal government. The result of the federal government's attitude is a widening sense of alienation in the west. Westerners are beginning to wonder what will come next—is the federal government planning to end the Crowsnest rates? Is it trying to punish the west for sending back so many Conservatives after the last election?

An hon. Member: The same number.

Mr. Yewchuk: There is a statement commonly made by federal Liberals after the election campaign of July 8. They say to westerners, "You will find out now what it is like to have no representation in the government". Then we find that a man from the other place, a Senator, has been appointed as spokesman for Alberta.

An hon. Member: He is a member of parliament.

[Mr. Yewchuk.]

Mr. Yewchuk: Yes, he is a member of parliament but he happens to be an appointed member, a former bagman for the Liberal party. He did a good job in that capacity, and maybe he can do a good job of advising the government on the feeling in Alberta. However, I think it is fair to say that elected members are in closer contact with their constituents, and therefore in a better position to give advice which would make the government sensitive to the needs of particular segments of our society. This is a correction which should be made forthwith.

Faced with the government's continuing efforts to alter the constitution by the back door rather than through legal means, Canadians are at a crossroads. They have to decide whether they really want this kind of constitutional change or not. In making such a decision they will have to make up their minds whether they believe the present administration, under the Minister of Energy, Mines and Resources and his colleagues, can do a better job of developing the Canadian petroleum industry than the provincial governments which have been entrusted with this task under the constitution. Can they be sure that if the constitution is changed, either by direct or by indirect methods, so as to give the federal government this power, the security of supply we have enjoyed in the past will continue, or that there will be a more effective development of our natural resources?

On the basis of the government's record I am not convinced that it can do a better job of developing these resources than we have seen so far. The result of the federal government's incursions into the energy field so far has simply been the slowing down of exploration and development.

Only this morning we saw a report in the national press concerning a report produced by the National Energy Board which predicts that within four to seven years Canada will no longer be self-sufficient in oil. Mr. Speaker, that is a very short period. Yet in the past year, as a result of federal intervention, we find that important sections of the oil industry are leaving the country and that exploration has been severely restricted.

The development of the tar sands is being retarded; there is a lack of interest because the oil industry is unable to make long term plans, due to the continuing vacillation of the administration in Ottawa. We should consider the possible long term consequences of this interference with the petroleum industry. It may well be we shall be dependent on oil from the Middle East, Venezuela or some other country. I do not think we should get ourselves into such a situation, particularly when we have the capacity to be self-sufficient.

I also wish to comment on the subject of multi-culturalism which has been my responsibility recently. Following the 1972 campaign we saw what appeared to be a genuine interest in this subject expressed by the federal government, to the point at which a minister was assigned to the portfolio and a budget was placed at his disposal. This was an occasion for hope among one third of Canada's population. At that period the administration held office only through the support of a shaky minority, and I believe it was more sensitive to the needs of Canadians than either the previous government or the government whose members sit on the treasury benches today.

In any case, between 1972 and 1974 some progress appeared to be made and ethnic groups began to believe there was some hope for their survival as identifiable groups. However, after the 1974 campaign one of the first actions to be taken was the removal from office of the minister responsible for this particular area, the hon. member for Parkdale (Mr. Haidasz). His post was obliterated as a separate entity.

Mr. Paproski: The demise of the program. Shame!

Mr. Yewchuk: Responsibility was transferred to the Minister of Labour (Mr. Munro)—the relationship is difficult to explain. The Prime Minister is now trying to convince us that the Minister of Labour is able to do more for multi-culturalism by devoting 5 per cent of his time to it than the hon. member for Parkdale was able to do by devoting his full time to it. I don't know whether the Prime Minister feels the Minister of Labour is a superman, or whether he has a low opinion of the ability of the hon. member for Parkdale. I hope it is not the latter.

● (2110)

I was quite concerned when the throne speech was read, and even more concerned when the budget speech was read, to find absolutely no mention of the subject of multiculturalism or of any plans to change direction. What we heard was a reiteration that greater priority would be placed on bilingualism. I have no objection to that; I think bilingualism is fine. I am not saying that bilingualism and multiculturalism are not compatible. But I am saying that the failure of the government to make any mention of multiculturalism, while placing a lot of stress on other topics, might lead some Canadians to feel they are once again being suppressed.

I just want to make a few general comments about Canada's ethnic groups and on why we must ensure that we do not suppress multiculturalism. I think it is fair to say that a lot of people came to this country seeking freedom. Whether it be political freedom or economic freedom, generally this was the goal they were seeking; and I think it is also fair to say that these two freedoms were provided them in abundance.

Let me just examine what has happened to these people generally since they arrived in this country. I want to look at them as individuals. These people did well economically, they did well politically, but what happened to them socially? Hon. members can examine any group—Italians, Germans, Ukrainians, Poles. Some have had to change their names for one reason or another; they have changed their original name to an English name. Some of them changed their religion. Others became ashamed to speak their own language, and in some cases refused to acknowledge publicly the language group from which they came.

What does that mean to you, Mr. Speaker? I suggest it means they have experienced very much a lack of freedom in one area, namely, the area of social freedom. These people have been facing all kinds of prejudices in this country, prejudices against their name, their religion and their language. As a result they felt they could not survive or compete in this country unless they became Anglicized or Francophonized. The policies of the government have been reinforcing this feeling. If we want to extend hope to these people—

Mr. Deputy Speaker: Order. I regret I must interrupt the hon. member. I have tried to allow him a little extra time to permit him to make his point, but I think he would need more than a few seconds.

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, I am glad to see this budget back before the House again after a long wait since May. It is like the return of the prodigal child—very welcome. I congratulate the minister for the level headed approach that his budget takes toward Canada's economic situation in November of 1974.

Canada's economy is a sound economy. We have withstood the economic unrest that is sweeping the world better than many of our fellow members in the world community. For this reason I am glad to support a budget that pursues a reasonable path between the extremes of excessive government stimulation of the economy on the one hand, and creating a deliberate economic slowdown to combat inflation, on the other hand.

This is not a time for extreme measures but a time for sensible, stable, economic measures. I am equally glad that this is a budget which seeks to protect the most vulnerable of our citizens, those least able to bear the effects of world wide inflation, from erosion of their limited incomes by rising prices. While the amount of the tax cuts proposed in this budget for 1974 and 1975 may seem small to some members of the House, I can assure them that there are many people in the constituency of Comox-Alberni to whom that extra income in the pay envelope means a great deal.

The people of Comox-Alberni are not the wealthiest in Canada. by and large they are hard working folk who put in their shifts in mills and factories, in fishing boats or logging camps, in mines or on farms. They are the strong and enduring foundation of this country's economy, people who work hard for their pay. They do not want a strictly controlled economy. They want to earn their living, to earn enough to maintain a respectable standard of living, and to put by a little from each pay cheque towards their future.

I believe that the proposals contained in this budget will help the people of Comox-Alberni lead the kind of life they want to lead. The tax cuts will enable them to see more of the income they earn go toward providing them with the things that make up a good life. The proposed exemptions of $1,000 in income from their savings will make it that much easier for them to look ahead to the future for which they plan.

One of the problems the people of Comox-Alberni face, a problem faced most by young couples beginning their lives together, is the high cost of housing. For many the cost of purchasing a modest home in which to raise their families is prohibitive. That is why I am pleased to see the proposed reduction of the federal sales tax on building and construction materials. If there is such a thing as the Canadian dream, one of its most primary elements is the desire of each family to own its own home. Any steps taken by the government to help make this wish a reality will not be lightly dismissed. And to make sure that this reduction in the federal sales tax benefits those who most need it, I hope that the government through the proper

agency will ensure that the resulting reduction in the cost of housing is passed on to the consumer.

Comox-Alberni is an island riding, surrounded on three sides by straits and inlets of the Pacific Ocean. Communications and transportation in such a riding, separated as it is by 30 miles of water from the mainland, are of vital concern to its people. For that reason I welcome the budget's proposed elimination of the federal sales tax on transportation equipment. If the elimination of that tax results in lower shipping costs and resultant power prices of consumer goods, as I am sure the government intends, the people of Comox-Alberni will not take it amiss.

As an example, Mr. Speaker, let me describe to you the situation facing the city of Port Alberni, one of the three major centres of population in the northern half of Vancouver Island. Port Alberni is connected to the rest of Canada by one narrow strip of two lane blacktop. A city of nearly 25,000, Port Alberni must import almost every consumer item, from can openers to heavy machinery, by way of that road. And almost everything Port Alberni imports must come by truck along that single highway.

Port Alberni is one of many similar cases in Comox-Alberni constituency. Transportation and communications in such isolated areas as these, despite the fact that they are bustling, growing cities, are matters of great concern to the people who live there. In many of the smaller settlements, however, boat transportation is the only means of moving people and goods. Further to the proposed elimination of the sales tax on transportation equipment, I would urge upon the government similar measures for boats and ships where these craft are used as transporters of goods to areas unreachable by roads.

Recently it was reported in the press that people in the Mount Waddington region, the northern part of my constituency, wished to secede from Canada and unite with Alaska. The residents of that area felt that they were not enjoying the full benefits of being Canadians. To relieve the doubts of the people of northern Vancouver Island as to their welcome place among the rest of Canada, and in order to unite this country from coast to coast by one continuous highway, I would urge the government to extend the trans-Canada highway northwards from its present end in Nanaimo to the town of Port Hardy, and from there onwards to the west coast of Vancouver Island.

● (2120)

Not only would this extension of the highway restore the people of the Mount Waddington district to the Canadian fold, it would bring a better quality of life to the more isolated areas through an increased input of goods and materials, along with lower prices because of easier transportation processes. In the same vein, I would like to see in the near future the extension of the Canadian Pacific Railway lines northward from their present terminus in the city of Courtenay to the people of the northern end of Vancouver Island.

In villages like Port Alice and Port McNeill the recent announcement that television service will be extended to the people there in 1976 has been received with great happiness. We of the southern regions of Canada, surrounded by the technological wonders of the urban centres, cannot, I believe, truly understand how much a seemingly small thing as television reception can mean to those who are denied it by virtue of their isolation from the mainstream of the country.

[Mr. Anderson.]

Being able to announce that television service would soon be a reality in the northern end of Vancouver Island has been one of the most enjoyable acts I have performed in my short time as a new member of this House. I know that, for those people up there, to be able to sit down and watch the Grey Cup or the Stanley Cup playoffs is not something they take for granted.

Still on the subject of transportation, I would urge the government to examine closely the prospect of improving and developing small craft harbours along the coastline that borders three quarters of the constituency of Comox-Alberni. To many of the people in that riding, boats must take the place of automobiles as the primary means of transportation. To people who must rely on boats to make the weekly shopping trip, to visit a neighbour, even to bus their children to school, proper and well maintained wharves and harbours are as necessary as roads and parking lots are to mainland residents.

Vancouver Island is ready to grow. It has the resources; it has the people; it has the Pacific Ocean, with all the markets of the Pacific Rim, at its doorstep. What Vancouver Island needs is better transportation facilities, in the areas I have outlined, and the establishment of deep sea ports to handle the trade in natural resources that could be emanating from Canada's most westerly territory. The excellent natural harbour in the city of Campbell River, for example, could become an outlet on the Pacific that would help keep Canada's exports steadily on the increase.

Another matter of primary importance to Comox-Alberni is the maintenance of a strong and viable fishing industry on the west coast. Such policies as the establishment of a territorial limit of 200 miles, or to the edge of the continental shelf, can have a real and profound effect on the future of that industry. I would urge the government to pursue strongly this policy of extending Canada's territorial limit, taking into consideration traditional fishing rights of our neighbours, to protect our fishermen from encroachment on their waters.

Another matter which I would very much like to see the government become involved in is the question of establishing a strong coastguard presence on the west coast. If, as is government policy, we are to have the 200-mile limit, the Canadian presence in our territorial waters must be augmented so that our claim to these waters is not just theory but fact.

Additionally, a well established coastguard force, with bases all along the British Columbia coast, would raise the level of protection we can offer to men on the water. A fast, efficient search and rescue capability would seem sufficient reason for creating a coastguard, without taking into account the IR duties in fisheries patrol and customs law enforcement. Another advantage to having a coastguard service on the west coast would be to raise the general level of competence in navigation and seamanship among the men who make their living from the sea. When, as would most likely be the case, members of the coast guard leave the service to work in the fishing industry,

their knowledge and experience would serve to make it a safer and more professional enterprise than ever.

I would like to turn to the subject of national defence, a subject that has been commented on in relation to the budget, both here in this House and in the media. From 1956 to 1962 I was proud to wear the uniform of the Royal Canadian Air Force. I was proud to have been adjudged worthy to serve Canada as a member of its armed forces. I am still proud today of having had that distinction.

I urge the government to ensure that those men and women who wear the uniform of the Canadian armed forces today can continue to share my pride. I ask that those people who are willing to lay down their lives for this nation receive the consideration they most assuredly deserve. Let their equipment be the best we can give them, and let their pay be equal to the task we ask of them. The Bible reminds us that the labourer is worthy of his hire; the soldier is no less worthy.

The armed forces of Canada have a reputation all across the world as powerful fighting troops and efficient peacekeepers. I believe that these two roles, so seemingly in contradiction and yet related to each other like two arms of one body, have brought the Canadian armed forces the respect and admiration not only of the military establishments of other nations, but of foreign civilian populations as well. Few nations have matched Canada's forces' reputation both in the field and in the buffer zones, a reputation which I count as a privilege to uphold. I urge the government to give present and future members of our armed forces the opportunity to live up to that reputation.

One other matter I would like to put before this House is a question that concerns not only the people of Comox-Alberni, but all women across Canada. I am referring to the plight of women who through divorce, separation, or widowhood are left with the responsibilities of supporting and caring for a family all by themselves. For many women in this unhappy situation the only course open to them is to rely on social assistance for the support of their families. For many, the cost of day care facilities for their children takes too large a bite out of their incomes, so that they would actually be financially better off on welfare than out earning a living with their skills.

I think it a tragedy that women who want to work, perhaps at jobs that they find worthwhile and fulfilling, must leave the work force in order to give their children a decent standard of living. I ask the government to consider a complete tax exemption for women in these circumstances who are earning a moderate income. Although this measure would admittedly reduce government revenues by some lost taxes, I am certain that the loss would be more than equally offset by the reduction in the cost of maintaining these women and their children through social assistance. Such a measure would also reduce the numbers of the unemployed as well as provide the social benefit of putting skilled people, who want to work, back into the labour force.

I would like to go on record that as a western member I am in agreement with the Minister of Finance (Mr. Turner) on his position regarding royalties. It is my sincere opinion that in the province of British Columbia the mining royalties will drive the mining industry out of the province. Already exploration has drastically declined and speculative capital for mining investment has left the province for healthier climates.

The present government of British Columbia can only be called a disaster looking for a catastrophe to happen. It is hard for members of parliament who come from provinces which, I assume, have sane governments, to realize the insanity taking place in *la plus belle province.*

● (2130)

Mr. Boulanger: Listen to a true Canadian speaking.

Mr. Anderson: I must apologize for my lack of French. However, in my constituency of Comox-Alberni my constituents have told me that first I should learn to speak English before I learn how to speak French.

B.C. is a part of Canada, although at times it is hard to determine.

Some hon. Members: Explain!

Mr. Anderson: Personally I pledge my support for the federal concept which, I believe, is ultimately in the best interest of western Canada and of B.C. in particular.

Mr. Knowles (Winnipeg North Centre): I thought the name of the province was British Columbia.

Mr. Anderson: In closing, Mr. Speaker, allow me to say again that I congratulate the Minister of Finance on the sensible approach he is taking toward resolving Canada's economic problems in the light of worldwide inflation. I believe that the course the government is pursuing to combat inflation and prevent an economic slump will spare Canada further economic unrest, while at the same time allowing this country to progress to heights that not even we as members of parliament can imagine in our wildest dreams, and this includes of course the province of Alberta.

Some hon. Members: Hear, hear!

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, it is probably appropriate that I have only ten minutes in which to make my speech since part of my argument tonight, later on when I deal with the matter of the reform of parliamentary procedures, is to suggest that the House limit itself to ten minute speeches henceforth. I only hope, Sir, that time will permit me to get to that part of my argument, because now I have other things to say.

The first thing I would like to note, out of deference to the Minister of Finance (Mr. Turner) who is here this evening, and who has been here to listen to participants in the debate on his budget, is that I will say something about it, although not very much. I think it was an attempt by the minister to adjust to the pressures of inflation by easing the burden on some who suffer from inflation. With the exception perhaps of measures such as the partial removal of the sales tax on construction materials, I do not think that there were many measures in the budget that dealt with the root causes of inflation or tried to take some strong corrective measures.

I think also that it is pretty horrifying when we have two such budget presentations in the year, and suddenly figures that the minister forecasts are seven or eight

figures apart from the same forecast made a few months earlier. If that does not indicate how deeply the fangs of inflation are biting, then nothing else does.

I am a native of Moncton, New Brunswick, and one of the proud things that happened to that city this summer was when a group of young singers—an Acadian group—went to the United Kingdom and, in competition with some of the great choirs from all over the world, gained not one prize but four international prizes.

Some hon. Members: Hear, hear!

Mr. McCleave: I think that is an event that is worthy of being put on the record in the House. It is one of the things that make me proud of having been born in Moncton.

Now, Mr. Speaker, I can deal with many things here this evening. I am a philosophical fellow. When I come here in the morning and look down the corridor, and see that the other place has a different floor wax than the one that is used here, I am inclined to ask whether there could not be some saving in combining the services in this House and the other place. God knows, sir, what battles are fought in the middle of the night, jurisdictional battles by the ladies armed with wax mops, as to who draws the other place's wax line and who does the waxing for this part of the building. Anyway, there is room for savings here and I hope both Mr. Speaker and Madam Speaker of the other place can get together and perhaps work out some joint services.

During the election campaign something different happened to me, something that was a challenge. I asked the deaf community in Halifax and East Hants to attend one of my political rallies. It is quite something to stand up and try to tell a joke, as perfectly as I tell them, and to have it translated by a person through sign language with her hands. Yet these people enjoyed being brought into the political swim. If any member in his or her next campaign wants to have a different type of experience, and a satisfying one, just ask the deaf community to attend meetings and they will find there is a great deal of enjoyment in it.

I would like to make one plea for people who are disabled in this way. I would like to see every deaf person have the right to a special machine that can be attached to the telephone. I think its cost is $200 or less. It lights up to indicate that someone is trying to contact that person. There is also a special typing apparatus that is able to transmit messages back and forth. I think that is a small amount of money for a very substantial help to disadvantaged citizens.

Later on in the session I will be dealing with some of the local issues, but now my time is running out and I would like to turn to some of the affairs as they concern the Chair of the House of Commons. I would ask you, Sir, to compliment Mr. Speaker on his selection. On election night, given the realities as they existed in the province of Ontario, I turned to my wife and said: "I bet that when parliament opens, the hon. member for Sudbury (Mr. Jerome) will be the Speaker of the House of Commons." This was long before Margaret had told Pierre, or anything like that. I think that the hon. member will do a tremendous job for us here.

Sir, I already complimented you because I held your position once and I know the dangers of being deputy speaker. There are more dangers in being deputy speaker than there are in being Speaker, and perhaps, Mr. Deputy Speaker, you will allow me to tell the rest of the members what those dangers are. Consider the following: in 1957, the deputy speaker, a Mr. Robinson, was defeated in his attempt for re-election. The next deputy speaker was Mr. Courtemanche, and where is he today? The next one was Mr. Sévigny, followed by Jacques Flynn, now opposition leader in the Senate, followed by Mr. Paul Martineau and then Gordon C. Chown. All those gentleman were defeated.

Then comes the honourable exception to this litany of gloom, Mr. Lucien Lamoureux, who was deputy speaker from 1963 to 1965, and who defied the curse upon deputy speakers. But then behold Mr. Batten. The next one, the present Secretary of State (Mr. Faulkner) had sense enough to escape while escape was still good, and went into the ministry after a decent interval between deputy speaker and being a parliamentary secretary. Then came Mr. Honey, my immediate predecessor, now Judge Honey.

So now it behooves a person who walked down this death valley, like myself, and came through, to become a backbencher. But it was not easy, and a legitimate question was raised in the campaign: why vote for somebody who is not apt to be able to speak in the House of Commons? This has mixed blessings. He may get another position of greater worth, and so they would get some satisfaction that way.

● (2140)

I did not like to tell them what I thought was likely to happen, that I would be a backbencher after the election was over. I was caught between the devil and the deep blue sea.

The problem is that no great minds such as those of the Leader of the Opposition (Mr. Stanfield) and of the hon. member for Winnipeg North Centre (Mr. Knowles) concentrated on the problem of the Deputy Speaker—that his hands are literally tied once he takes the chair.

In this House the practice has been to keep the Speaker in that position or, when he decides to go, to give him some recognition. But you, Mr. Deputy Speaker, are in a different category entirely. You suffer the handicap I did, that of not being able to participate in debate, and to a lesser extent your assistants suffer the same disability. The only way I can see to overcome this is to take some new step for the Deputy Speaker and his assistants, such as setting aside time in which they could make short speeches—I presume they would be of a non-partisan nature. In that way their constituents would feel that their concerns were being looked after in parliament. That is the only solution I can see for yourself and others, before you who take that march down Death Valley that I had to come through in my time.

There is another matter which is personal. On the defeat of the government on the vote last spring, at that moment the rights and privileges, pay and allowances of Deputy Speakers ceased. I am not making a plea for myself but for you, Sir. You have headed the Canadian delegation to Cuba and you are undoubtedly finding now that you have

to carry out a quasi-diplomatic function. You are receiving visitors from abroad.

I led a delegation to South Korea, and the business of that delegation did not end the night the government was defeated. I had to come back to Ottawa to complete the work. It was a labour of love, but it was not paid labour. I think the supposition that the Deputy Speaker's duties end when a session of parliament ends should be examined with a view to making redress. I do not ask it for myself, and I would refuse it if it were offered, but I ask it in light of your particular circumstances.

There is much more I could say, Mr. Speaker. I never did get around to talking about the ten minute speech as the cornerstone of parliamentary debate, but perhaps I will have an opportunity to do so later in the session.

Mr. Deputy Speaker: Order, please. I am sure hon. members will allow me to say how thankful I am to the hon. member for his remarks.

It being 9.45 p.m. it is my duty, pursuant to section 6 of Standing Order 60, to interrupt these proceedings and forthwith put the question on the subamendment now before the House.

All those in favour of the amendment to the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the amendment to the amendment (Mr. Nystrom) which was negatived on the following division:

● (2150)

(Division No. 6)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Andre
(Calgary Centre)
Baker
(Grenville-Carleton)
Baldwin
Balfour
Bawden
Beatty
Beaudoin
Benjamin
Brewin
Brisco
Broadbent
Cadieu
Caouette
(Villeneuve)
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Coates
Cossitt
Crouse
Dick
Dinsdale
Dionne
(Kamouraska)
Douglas
(Nanaimo-Cowichan-The Islands)
Ellis
Elzinga
Epp
Fairweather
Firth
Fraser
Friesen
Gillies
Halliday
Hamilton
(Qu'Appelle Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Hees
Hnatyshyn
Hogan
Howie
Huntington
Hurlburt
Jarvis
Jelinek
Knowles
(Winnipeg North Centre)
Knowles
(Norfolk-Haldimand)
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Laprise
La Salle
Lawrence
Leggatt
MacDonald (Miss)
(Kingston and the Islands)
MacKay
MacLean
Macquarrie
Malone
Marshall
Masniuk
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
Mitges
Muir
Munro
(Esquimalt-Saanich)
Murta
Neil
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
O'Sullivan
Paproski
Ritchie
Roche
Rodriguez
Rondeau
Saltsman
Schellenberger
Schumacher
Scott
Smith
(Churchill)
Stanfield
Stevens
Symes
Towers
Wagner
Wenman
Whittaker
Wise
Yewchuk—95.

Division

NAYS

Messrs.

Abbott
Allmand
Anderson
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Béchard
Bégin (Miss)
Blais
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte Saint-Paul)
Chrétien
Clermont
Collenette
Condon
Corbin
Côté
Cullen
Cyr
Danson
Daudlin
De Bané
Dionne
(Northumberland-Miramichi)
Douglas
(Bruce)
Drury
Dubé
Duclos
Dupont
Dupras
Duquet
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Haidasz
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Jamieson
Jones
Joyal
Kaplan
Lachance
Lajoie
Landers
Lang
Laniel
Lapointe
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacEachen
MacFarlane
MacGuigan
Marceau
Marchand
(Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Morin (Mrs.)
Munro
(Hamilton East)
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Pelletier
(Hochelaga)
Pelletier
(Sherbrooke)
Penner
Pinard
Portelance
Poulin
Raines
Reid
Richardson
Roberts
Robinson
Roy
(Timmins)
Roy
(Laval)
Sharp
Smith
(Saint-Jean)
Stollery
Tessier
Trudeau
Turner
(London East)
Turner
(Ottawa-Carleton)
Watson
Yanakis
Young—116.

● (2210)

Mr. Speaker: I declare the subamendment defeated.

Amendment (Mr. Nystrom) negatived.

Mr. Speaker: It being after ten o'clock, this House stands adjourned until 11 a.m. tomorrow, according to Standing Order.

At 10.15 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, November 22, 1974

The House met at 11 a.m.

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-17, an act to amend the Explosives Act, to which the concurrence of this House is desired.

ROUTINE PROCEEDINGS

[*Translation*]

SUPPLEMENTARY ESTIMATES (B)

A message from His Excellency the Administrator of the Government of Canada transmitting Supplementary Estimates (B) with regard to sums required for the public service of Canada for the financial year ending March 31, 1975 and, pursuant to the provisions of the British North America Act, 1867, recommending those estimates to the House of Commons, was presented by Hon. Jean Chrétien (President of the Treasury Board) and read by Mr. Speaker to the House.

* * *

● (1110)

[*English*]

EXTERNAL AFFAIRS

WORLD FOOD CONFERENCE IN ROME—REPORT BY MINISTER

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I wish to report on the World Food Conference which began slightly more than two weeks ago in Rome. Last Saturday the conference came to a close, and of the 123 countries represented and the more than 1,200 delegates attending, virtually none did not have impressed upon them the need for increased production by all farmers in the world. While many countries were called on to produce more food and help developing countries to do the same, Canada was among the few that had chosen to give a clear and significant mandate to their representatives at the conference.

Let me say a word about our representatives. Our delegation at Rome was well prepared and was one of the best there, if not the best. We had two federal cabinet ministers, a provincial cabinet minister, three parliamentary observers and representatives of the public service. They all took their responsibilities very seriously and worked hard to achieve positive results. Right here I would like to set the record straight about one thing. Some people have alleged that our delegation was trying to filibuster in the committee dealing with trade. This is absolutely false. At no time did anyone on the Canadian delegation attempt any type of negative action at the conference. In point of fact, there were fairly extensive exchanges on the trade issue but these were between the delegates of the developing countries that held some very divergent views on the subject.

When my colleague, the Secretary of State for External Affairs (Mr. MacEachen), made known our willingness to provide a more than proportionate share of the minimum world target for food aid and to more than double contributions to the world food program, there was a good deal of optimism that the turning point of the conference had been reached. The feeling of optimism was increased when Australia made a corresponding offer in response to the example set by Canada. If other countries had done the same, the World Food Conference would have been a greater success.

Everyone with a real interest in farmers and agriculture ought to have the chance to go to a meeting like the World Food Conference. It brings home just how important good farmers and productive, efficient agriculture really are. When I sat in on some of those meetings held in a big building that Mussolini had put up for the 1942 Olympic Games and waited for the translators to catch up to the speaker, or maybe listened to delegates from various countries arguing for 20 minutes whether the right word to use in a sentence was "scarce" or "limited", I had a chance to think about some of the countries that were represented there.

What really struck me was that there were no developed countries that did not have well developed agriculture as the strong foundation for the rest of their economy. If a country's agriculture was not healthy, you could be pretty sure that they were having other problems as well. You could see the same sort of thing with respect to the developing countries. You cannot just lump them all together under that name. Some of them who had not paid enough attention to their farmers and their needs were wishing they had. But you could tell that the countries that were really looking after their agriculture were also going to take off pretty quickly in the rest of their development.

To try to get anything done in those committees was something else again. They would start off with a pretty reasonable draft of a resolution and go at it until it looked like the turkey two days after Thanksgiving dinner. Sometimes I wondered if they would ever get any meat back on the bones. In spite of the difficulties, we did make progress. Our delegation met several times a day to discuss progress and problems in the committees. In this work we

were helped considerably by Canada's active participation in the preparatory committees.

I would just like to mention here that apart from official government delegation at Rome, Canada was fortunate in having very fine representation fron non-government organizations, or NGOs as they are called. Representatives from our delegation met with them frequently and the discussions were both cordial and useful for all of us. I have nothing bút praise for them and the job they did on behalf of their respective organizations.

The facts of Canadian leadership at the conference are as follows: the Canadian food aid pledge helped to move Australia and the EEC into making specific food aid pledges and the United States to accept a ten million tons annual food aid target. Canada drafted the clause ensuring that the Agricultural Development Fund would come into effect when there were substantial new funds and the prospect of continuity. Canada was also one of the first western countries to accept the Agricultural Development Fund. Canada was the only country to pledge 20 per cent of its food aid through multilateral channels, including a 100 per cent increase in Canada's pledge to the world food program for 1975 and 1976.

Canada pushed for a universal exchange of information on crop prospects and inputs. Canada offered to earmark national grain reserves for world food security. Canada led in stressing the importance of fisheries and environmental concerns. Canada has pressed for effective follow-up to the World Food Conference using existing international agencies that have a proven record of producing results.

At no time did Canada forget the importance of the producer as the key contributor to an adequate food supply. All these are examples of Canadian initiative and leadership at the World Food Conference, but this list is certainly not complete.

Some hon. Members: Hear, hear!

Mr. Whelan: I was approached on many occasions by ministers of agriculture from developing countries who wanted to get bilateral development aid from Canada. They were looking for Canadian agricultural technology to use in their countries because they think Canada has the best technology and the most productive agriculture in the world. They also know that they can get help from Canada without political strings attached, if they are willing to make the effort to help themselves. It is still too early to make an adequate assessment of the World Food Conference. Nonetheless, I believe that there are real reasons for being optimistic. Perhaps the most important of these is that as a result of the conference many countries will start increasing their food production earlier than they would have.

Several resolutions were passed by the plenary session of the conference. However, the accepted wording of the resolutions was made on the basis of oral amendments, and final wordings of the resolutions are not yet available. Most important among the resolutions is the one to establish a fund to be called the international fund for agricultural development. The fund would finance agricultural and fisheries development projects in developing countries. Contributions to it would be on a voluntary basis. The fact that the resolution's co-sponsors included oil producing nations such as Iran, Kuwait, Oman, Saudi Arabia, Qatar, the United Arab Emirates and Venezuela may be regarded as a commitment by these countries to use some of their financial resources, and we hope they will, to support a multilateral program for agriculture and fisheries development.

The conference has asked the FAO and other concerned international organizations such as the International Wheat Council to make the arrangements necessary for the establishment of a global information and early warning system on food and agriculture. The objectives, policies and guidelines as set out in the text of the proposed FAO international undertaking on world food security were also endorsed by the conference. Governments of major exporting and importing nations have been invited to enter discussions on the feasibility of establishing grain reserves in appropriate locations. The Director General of the FAO has convened a meeting of representatives of interested countries for November 29 to look at the short-term problems of the developing countries most seriously affected by current food shortages.

The arrangements for follow-up at the conference were covered in a complicated resolution that in effect sets up a world food council at the ministerial level that would report to the United Nations General Assembly through the Economic and Social Council. The World Food Council would serve to co-ordinate follow-up policies concerning food production, nutrition, food security, food trade and food aid. Membership of the World Food Council has yet to be determined, but its members will be nominated by the Economic and Social Council and elected by the United Nations General Assembly.

The conference did recommend, among other things, an FAO committee on world food security, an intergovernmental committee of the World Food Program, and that the board of directors of the international fund for agricultural development should submit periodic reports to the World Food Council. The conference also requested that international groups and organizations take leadership in following up the results of the conference. The conference did adopt a long declaration entitled "Declaration on the eradication of hunger". Its final wording is not yet available, but it is a document that contains the suggestions of many groups that were agreeable to others, and hence is perhaps weaker than we would have liked because of the need for consensus.

Canada's leadership and contribution to the conference is perhaps best summed up in a letter to the Secretary of State for External Affairs dated November 9, from Mr. Aquino, executive director of the World Food Program, as follows:

> I would again like to express to you, and through you, also to the Secretary of State for Agriculture, the hon. Mr. Whelan, my own and my colleagues profound gratification for the excellent policy statement which you recently presented to the World Food Conference in Rome on behalf of the government and people of Canada. We in the World Food Program are deeply appreciative of the leading role CIDA has long taken and so clearly intends to continue to take in helping to "seek the elimination of hunger". Your moving speech and very practical undertakings and proposals are certainly most encouraging.

● (1120)

I was a proud Canadian before I went to the conference. I am an even prouder a Canadian after attending this conference.

Some hon. Members: Hear, hear!

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I realize it is the custom, when responding to a statement such as we have just heard, for members of the opposition to thank the minister for sending them a copy of his remarks. Your Honour will recall that yesterday I rose on a question of privilege having to do with the minister's failure to make a statement yesterday. From the remarks he made in reply to my question of privilege, and from other information, I am confident the statement was available approximately 20 hours ago. At 10.30 this morning I got in touch with the minister's office. I did so again at 10.35. At 11 minutes to 11 I attended the minister's office and in his presence and the presence of his staff demanded a copy of his statement. I received the statement when I came into this chamber today.

Some hon. Members: Shame.

Mr. Jarvis: My office is located in the same building as the minister's, up four flights of stairs, and even if it meant the minister climbing those four flights of stairs, surely we could have received a copy. The minister speaks continually about co-operation in the interests of Canadian and world farmers. If this is any indication of the co-operation he proposes to extend to other nations to meet the world food crisis, then heaven help the world's hungry. The only sympathetic thing I can say is that I, too, would be ashamed to release this statement if I were the minister.

Some hon. Members: Hear, hear!

Mr. Jarvis: In his final article on the World Food Conference, Mr. James Rusk, writing in the *Globe and Mail*, summed it up by saying:

> Politics won and food lost. The issues were political, the actions were political and the conclusions were political.

I do not point a finger at the minister, but this is my view of what happened at that conference. I have no way of judging whether the conference was a political success; but in terms of judging whether it was a success in solving the world food crisis, none of us in this house can claim that it was successful. With respect to the position taken by Canada and its participation, I say to the minister and to all hon. members that I was proud to be a Canadian on the second day of that conference. I was proud when the Secretary of State for External Affairs (Mr. MacEachen) gave his statement. I think we all had reason to be proud at that particular point.

We went to the conference in the hope of offering leadership. I believe we did that, Mr. Speaker. Our commitment of food aid of one million tons a year for the next three years had two very obvious things to commend it: first, our commitment was expressed in terms of tons rather than dollars, which is what we had been requested to do; second, in comparison with other food exporters I think our tonnage commitment had everything to commend it. However, there is another yardstick. I do not refer only to the statistical fact that just three or four years ago the tonnage we delivered to the hungry nations far exceeded our Rome commitment: I emphasize that this three-year commitment does not begin until the next crop year. The Montreal *Gazette*, in an editorial on November 28 had this to say:

> The Canadian contribution of one million tons for the next three years is disappointing when weighed against earlier contributions. Canadian refusal to assist with fertilizers is miserly when compared with the 150,000 metric tons given in 1970 and the fact that approximately 30 per cent of Canadian fertilizer production was exported to the United States in the 1973-74 season.

In the same vein, the *Globe and Mail* said this:

> It is impressive only in that it stands out against the shameful background.

The yardstick that I refer to is measuring our assistance in terms of our capacity as Canadians to produce. Measured against that yardstick, no Canadian can take too much satisfaction. If we submit ourselves to that test, we have only to answer the question to read the minister's statement to this House on October 3, 1974, when he said, as reported at page 96 of *Hansard:*

> I have said the farmers of this nation will increase their productivity by 50 per cent in five years if they are given a decent return for what they produce and a guarantee that they will receive the same as the rest of our society wants—

Submitting ourselves to that test of capacity, not one member of the House or one producer in this country can take too much satisfaction. In terms of emergency relief, I noted the question put to the Secretary of State for External Affairs on November 14, a day during which the conference was being held, and the figure of $50 million was thrown around helter-skelter. The only thing I know about this $50 million is that as a result of the conference in Rome there has been a reallocation within the CIDA program of $50 million. There is no new fund. It is no big deal.

May I deal now with what, in my opinion, was the most significant issue from the Canadian viewpoint. That was the necessity of assisting developing countries to increase their own food production. Canadians had every reason to believe that we in the Canadian delegation would offer real leadership. First of all, we looked to the speech of the Minister of Agriculture prior to his leaving for Rome and he indicated that this was our number one priority since we had the leadership and the expertise necessary to assist in this regard. I believe that the most important sentence of the address of the Secretary of State for External Affairs to the conference is as follows:

> Canada emphatically supports the development of increased food production capacity by developing countries as the key to an anti-hungry strategy.

Similarly, in his speech in the House on November 15 when he listed seven points which he hoped would assist Canada to participate in fighting this crisis, he said, as reported at page 1376 of *Hansard*:

> First, Canada is prepared to accord a high priority in its assistance program to the agricultural development of countries which are mobilizing their own resources to increase food production.

These have been hollow words. We did not exhibit any dramatic leadership in this area; in fact, we have demonstrated no real leadership at all. The conference itself did

not come to grips with this issue. The future for agriculture in developing countries is little or no brighter as a result of the conference. The only ray of hope which the minister mentioned—and I hope it is a ray—is the agricultural development fund, which at this moment is unfunded. The only contribution that Canada makes, I repeat, is the reallocation of $50 million within the CIDA program.

The Minister of Agriculture (Mr. Whelan) may wish to take exception to my criticism of this vital aspect of the Rome conference, but I can illustrate my point simply by saying this: if, as he has said repeatedly, we went to Rome expecting a conference on food production, why did Canada's delegation not include at least one person who represented the food producers of Canada? Ministers of the Crown do not produce food; members of parliament do not produce food; public servants do not produce food, and neither do international conferences.

The minister has bragged about—I share his pride in this respect—the tremendous talent available from farm organizations and producer groups in this country, yet not one of them was represented at the conference. Coincidentally, at this conference were two Canadians, Mr. Munro and Mr. Pigeon, both of whom represent producer groups in Canada. But they were there in an international capacity; they were not even invited to informal meetings held by the Canadian delegation until I made a point of seeking their presence at those meetings.

Unhappily, the world must conclude that the conference was not successful in respect of the key issue of food production in developing countries. Canadians must conclude either that we failed to provide leadership in this area or that whatever leadership we intended was not evident to other delegations. Whichever is the case, we must all regret our failure in this one area which we acknowledge to be the most important.

● (1130)

There are two matters I wish to discuss briefly. One is the presence in our delegation of senior members of the public service. It might be said by those more cynical than me that public servants really prove their mettle when they are dealing with ministers whose shortcomings are obvious in certain circumstances. I am not a cynic: I only say that within the framework of their instructions, the responsible public servants of the Department of Agriculture demonstrated an enthusiasm and determination for which I sincerely commend them.

Some hon. Members: Hear, hear!

Mr. Jarvis: The other point concerns the members of the non-governmental organizations. I appreciate the minister's comments in his statement. But, unfortunately, that feeling was not unanimous within our delegation and in my opinion there was even the suggestion that their role for future conferences should be questioned. If that role—which to me is a vital and enthusiastic one—is questioned, it should be questioned in this House, and nowhere else, because I believe these people fulfilled a very useful function. I appreciate your restlessness, Mr. Speaker, but anyone who has been a parliamentary observer knows that his function defies job description. I am working off a little of my frustration right now and hope you will bear with me.

My final point is an obvious one, and because it is so obvious we sometimes lose sight of it. We met in Rome because many people in this world are starving to death and many more are so undernourished that their chances of making a meaningful contribution to society are minimal or non-existent. This was why delegations from so many countries journeyed to Rome. Yet repeatedly at the conference, from our delegation and others I heard the desperately needy countries criticized in private because of the actions of their leaders. This criticism took the form of statements that country "A" was wasting money on expenditures for such things as armaments, money that otherwise could be used to provide more food for its people; country "B" was guilty of graft and corruption in dealing with food aid; country "C" had delegates at the conference who were riding around in Rolls-Royce cars while its people were starving.

All Canadians can take a personal affront at such action, particularly when we talk of countries who are recipients of our aid. All members of parliament can go to their respective ridings and be safe politically for not only criticizing such actions but, indeed, for justifying the withholding of aid because of such immorality. I sensed this personal feeling of effrontery every day at the conference. But what we ignore or forget is that it was not the starving child who was guilty of wasteful government expenditure, it was not the undernourished mother who was guilty of graft and corruption and it was not the worker, who is so underfed that he is non-productive, who is riding around in a Rolls-Royce. I suggest that all of us should resist the natural negative and politically expedient reaction of using such actions as reasons or excuses for withholding assistance. I suggest that these actions, albeit reprehensible, of needy countries should not provide the reason or excuse but, rather, should provide the challenge to us to make our aid more effective. Some 80 per cent of that aid is bilateral, so we can accept this worthy challenge.

In conclusion, may I say that Canadians share our disappointment that the World Food Conference failed to fulfill our aspirations for it. In a positive sense, however, I believe we should feel that the failures of the conference will add to the focus on and the urgency of the world food crisis. If nothing else, the focus on this crisis has provided us, as Canadians, with a dramatic challenge. The *Gazette* editoral to which I referred, under the heading "The hungry still unfed" states—

Mr. Speaker: Order, please. I must ask the hon. member to please conclude his remarks.

Mr. Jarvis: I have about three more sentences, Mr. Speaker. Quite clearly, the work which was started in Rome, like the work started at earlier UN conferences in Caracas and Bucharest this year, will have to be continued. There is, however, growing urgency in respect of the food crisis because of its immediacy and the inhumanity of failing to tackle it. That this government acknowledges and meets this challenge is the demand of our party and, I believe, the demand of our country.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I apologize to the House in advance for detaining it longer on this matter, but I think this conference was one of tremendous importance and significance. I, too, was a parliamentary observer and I hope the House will bear with me while I make a few remarks on the subject. This World Food Conference was, despite all the cynics and all the pessimists, an historic and significant occasion. It was, of course, dealing with a basic problem of humanity, the problem of food, which includes the age-old problem of malnutrition affecting millions of people, including 200 million children throughout the world. The conference was also dealing with the urgent and immediate problem of threatened starvation on a large scale in some parts of the world, and I mention Bangladesh, India and central Africa.

The conference was watched with hope and anxiety by the whole world. It was historic in the sense that it was the first time representatives of nations had gathered together to apply their minds to this problem. As Pope Paul VI put it in a striking address to the conference: "The food crisis is a crisis of civilization and solidarity." It would obviously be too soon to assess the results of the conference. They will depend on the follow-up and upon whether the nations of the world are prepared to give content to the resolutions they passed by providing the resources and machinery to make them work.

My view is that the conference had both successes and failures. An outstanding failure was in the area of trade. The resolution of the food problem of the world in the long run requires substantial increases in the purchasing power of the least developed countries. The resolution of the conference on this point was disappointingly vague. I want to make one thing clear; there seemed to be universal agreement that this problem could be solved. Nature has provided the means; the question is whether man can provide the wisdom to solve it. There is another observation I want to make, and that is that those who produce surpluses of food must not use those surpluses in an attempt to gain political advantage.

There were several aspects to the conference. The first dealt with the threat of starvation caused by the exhaustion of food reserves. I believe this immediate problem will be effectively tackled. But there is also the even more important, long-term problem of increasing food production, particularly in the developing world. The developing nations themselves have the immediate and primary responsibility for this task but through lack of capital and technology they cannot tackle it alone without massive assistance from the developed world.

A resolution was passed, as the minister told us in his statement, for the setting up of a fund for agricultural development. That was introduced by some of the OPEC nations and I regard it as one of the most encouraging features of the conference. I understand a follow-up conference is to take place on November 29 under the auspices of the Secretary General of FAO, with a view to putting reality into the proposals for this fund.

Above all, the third world of the developing nations must be put in a position where it is not the recipient of hand-outs but is enabled, through expanding trade, independently to expand its own agricultural production. What am I to say about the contribution of Canada in this regard? The minister has spoken in the usual glowing and customary terms of self-praise and it is hardly necessary for me to add very much to that. Although I am a member of the opposition and inclined to be critical, I think the specific proposals of the Canadian government to expand its food aid while emergency conditions persist, to base that food aid contribution on physical terms and not on dollars, and to commit an average of one million tons of food grains annually for the next three years, were constructive proposals and gave real leadership to the conference.

● (1140)

I was not so satisfied with the arrangements made by the conference, supported by Canada, in respect of world food security. In my view, it would have been far better to have created a world food bank with power to deal with speculation in foodstuffs and to stabilize food prices. Instead, what we got was a plan for national stockpiles of food grains, their use to be co-ordinated by some form of international organization. This is definitely a second-best program.

Another point I wish to mention is that the Secretary of State for External Affairs (Mr. MacEachen) in his speech to the conference spoke of Canada responding to countries which give high priority to developing efficient food production. Naturally, we must strive for efficiency but I warn against that being the only criterion: there is the danger that if this is done, the aid will be channelled to the wealthier producers, and this may enable them to drive small producers and landless labourers in developing countries off the land and into urban slums. That situation must be guarded against.

There is another aspect where I feel the Canadian contribution was totally inadequate. This is in respect of the drive of the third world for trade policies enabling them to expand their exports and thus to finance food production in their countries. Trade, aid and food production are intimately linked. Of course, detailed trade discussions could not take place at this conference; but it is equally true, in my judgment, that the third world was right in asking that consideration be given to the general direction to be taken on this whole vital question. In my view, the Canadian response initially was almost totally negative. The minister said it was a falsehood to say that they filibustered. They may not have filibustered, but I was there and I say that the initial attitude was almost entirely negative and a filibuster would have had the same sort of effect.

Some hon. Members: Hear, hear!

Mr. Brewin: However, I give the minister some credit. Later in the conference the attitude seemed to become more flexible. Perhaps I am giving him undue credit when I say he was responsible for that. I was extremely disturbed at the initial Canadian attitude in respect of this vitally important subject. We lined up with the wealthy, developed countries and said we would not even bother talking to the developing countries about the problems they thought were important. I must admit that that attitude changed. The final resolution was a weak compro-

mise, but if the minister is responsible for changing it, in fairness I give him credit for it.

I conclude my remarks by saying that I agree with the Minister of Agriculture (Mr. Whelan) that the key to the world food problem lies primarily in the hands of the agricultural producers both in the developed and developing countries. They must be consulted, their security considered, and there must be a radical revision by the modern world of its attitude toward the importance of agriculture. Agriculture must not be subordinate to the interests of speculators or private interests which so often control markets for their own benefit. A totally new structure is required. All these matters will not be solved, as Pope Paul said, by automatic, technical solutions: fundamental human values must be taken into account. I believe that on the whole the Rome conference pointed in the right direction. It was a step forward, and with good will and hard work it can be turned into a highly significant step in the history of humanity.

I would like to add one footnote. I join the minister in his tribute to the Canadian group which was known as NGO, a non-governmental organization. I think the Canadian group made a valuable, informed and indeed intelligent, critical contribution. If they had not been there, I am sure the Canadian contribution would have been far less than it was.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have heard the statement by the Minister of Agriculture and I must say his comments were not exaggerated and I believe he is right when he says that Canada had a positive participation in that conference through its expert delegates and above all the proposals that were put forward.

Canada has been one of the most responsive countries in the past few years. It can do more and the aim of the conference was to find means of sharing the planet's food resources to meet the actual needs of hungry populations. The sight of starving people is in itself difficult to bear, but when you have suffered from hunger or seen your next of kin suffer from it in your own home, it is even worse. Then, I guess, you understand better the actual situation of those starving populations deprived of any means of developing their land to produce enough food to meet their needs.

Some hon. members have sometimes accused us, without any malice I am sure, of resenting Canada's assistance program to developing countries. Mr. Speaker, I would like to repeat that we favour Canada's help to developing countries, to countries whose populations are starving, but we would like to make sure that our help reaches its destination, that people who really need it are the first beneficiaries. We have been told that huge quantities of food products have been spoiled because they were stored in the wrong kind of warehouses. Our country had made an effort, but not every necessary step was taken. I don't know if that was done accidentally or on purpose, but at all events, we still have a long way to go before those products we send to starving people reach their destination. Of course Canada has huge resources of all kings and it can even produce more.

[Mr. Brewin.]

It is not only recently we have been maintaining that Canada should put its farm land to better use so as to produce sufficiently to meet the needs of the Canadian people and also help the needy countries.

I consider, Mr. Speaker, that it is a crime against humanity that thousands of farms lie abandoned and thousands of strong workers are forced into inactivity instead of working.

During the last weeks I have received numerous petitions coming from mothers in my riding asking me to press our government that our country might adopt a better food production policy. That is what I shall do at the next possible opportunity.

When my colleagues and I had the opportunity to travel in Belgium and Holland in September 1974, we witnessed that in these two countries all farm land is developed 100 per cent. There are people who understand the necessity of making use of all their production capabilities and if Canada wants to produce more efficiently, we will immediately have to adopt stronger measures to support our farmers.

It is not enough to say that we will give, that we will do our share. We must absolutely produce if we want our wishes to take on a concrete form.

Mr. Speaker, the scandalous increase in the price of chemical fertilizers will contribute to the discouragement of the farmers and I fear that 1975 production will suffer a rather shocking drop due to the fact that I have just mentioned. The horrendous increase in the cost of farm machinery is sufficient to further discourage the farmers.

In conclusion, I would like to say that if we want to, we can, and that should be the slogan of this Parliament. It is good to have the best of intentions, but acting efficiently is even better.

Besides producing, we should adopt a system insuring distribution even onto the tables of those who are in need.

* * *

● (1150)

[*English*]

SUPPLEMENTARY ESTIMATES (B)

REFERENCE TO STANDING COMMITTEE

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I move, seconded by Mr. Chrétien, pursuant to Standing Order 59:

That the Supplementary Estimates (B) tabled this day be referred to the Standing Committee on Miscellaneous Estimates.

Motion agreed to.

* * *

BUSINESS OF THE HOUSE

PROCEDURE TO BE FOLLOWED FOR STATEMENT BY MINISTER OF ENERGY, MINES AND RESOURCES

Mr. Sharp: Mr. Speaker, as the House is aware, the Minister of Energy, Mines and Resources (Mr. Macdonald)

wishes to make a statement today and to table a copy of the report of the National Energy Board. I think there is general agreement that for this purpose we should revert to motions today at five p.m., the reason being that it is not desirable to table this report and have the statement made while the markets are open.

Mr. Speaker: I should comment to the House, if it is agreed and understood, that the Chair would not see the clock at five o'clock when reverting to motions. After the statement by the hon. Minister it is expected the customary replies would take place by spokesmen of each of the other parties. The Chair would then see the clock and adjourn the House on completion of such statements.

Some hon. Members: Agreed.

Mr. Whelan: Mr. Speaker, I have been informed by my office staff that copies of the statement I made today were distributed to the leaders of all parties and should have arrived in their offices maybe not as early as they should have, but possibly by 10.20 a.m.

Mr. Schumacher: Why didn't you tell me that on the phone, then?

* * *

COMMUNICATIONS

LACK OF TELEPHONE AND TELEVISION FACILITIES IN NORTHERN NEWFOUNDLAND—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity, related to projected industrial development in northern and western Newfoundland which emphasizes the need for immediate support in communication facilities.

The lack of satisfactory progress by both Canadian National Telecommunications and the Canadian Broadcasting Corporation in providing adequate expected television and telephone service will deter prospective development. This prompts the need for action by the government of Canada to demand that both agencies fulfil their responsibilities to Canadians.

I therefore move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That the matter be referred to the Standing Committee on Transport and Communications.

Mr. Speaker: The House has heard the terms of the motion which contains some reference to elements of immediate necessity. It being proposed pursuant to Standing Order 43 it cannot be debated without unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

EXTERNAL AFFAIRS

SUGGESTED INTERVENTION OF PRIME MINISTER ON BEHALF OF CERTAIN CHILEAN CHILDREN—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask leave of the House to put a motion on a matter of urgent and pressing necessity. In view of testimony given by Neil McDermott, Secretary General of the International Commission of Jurists that the Chilean military junta is considering a scheme to send children of supporters of former president Salvador Allende to forced labour in rehabilitation camps, and in view of the Prime Minister's intervention on behalf of Valentyn Moroz, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House instruct the Prime Minister to inform the Chilean junta that we in Canada consider such action to be contrary to all principles of decency and humanity.

Some hon. Members: Hear, hear!

Mr. Speaker: The House has heard the terms of the motion being proposed pursuant to Standing Order 43 and containing elements of immediacy. It cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be debated at this time.

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CRIMINAL CODE

PROPOSED REFERENCE OF ABORTION PROVISION TO COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to Standing Order 43, I rise to propose a motion on a matter of urgent and pressing necessity. In view of the renewed representations made to most members of the House, not only in person over the past few weeks but also by hundreds of telegrams and letters, urging the House to examine the abortion laws now freely in existence in this country, and in view of the fact that this is a matter dealing with life itself, I move, seconded by the hon. member for Perth-Wilmot (Mr. Jarvis):

That the government be instructed to form forthwith a committee comprised of members of this House to thoroughly investigate this entire area affording such organizations as the Alliance for Life and others, in fact, all segments of our society, the opportunity to express their views on a matter involving the very lives of thousands of unborn children.

Mr. Speaker: Order, please. The House has heard the terms of the motion. With due respect I would call the hon. member's attention to the provisions of Standing Order 43 which read as follows:

A motion may, in case of urgent and pressing necessity . . .

Representation Act, 1974

The Chair can only assume that the use of the word "urgent" and in addition the words "pressing necessity" makes specific reference to the fact that a motion be not only important, as the subject matter of the motion is, but have an element of immediacy, of "urgent and pressing necessity". I am afraid, with due respect to the hon. member, that I am not able to see that the matter, while important, has any more urgency today than it did in the last parliament or that it will have in future parliaments. It is a matter of prominent and important concern to all members of the House but surely the fact of recent representations cannot take it out of the level of continuing concern and place upon it the element of urgent and pressing necessity as declared by the terms of the Standing Order. I, therefore, regret that I cannot put the motion.

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POST OFFICE

SUGGESTED COMMITTEE REVIEW OF OPERATIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise, pursuant to Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that Canadian postal service has deteriorated to such an extent that businesses such as McConnell Nursery Co. have to curtail a major portion of their business because they cannot depend on the postal service to be reliable, I move, seconded by the hon. member for Brandon-Souris (Mr. Dinsdale):

That this House direct the operations of the Post Office to the Standing Committee on Transport and Communications for immediate review, and implementation of the Samson, Belair, Riddel, Stead report on the Post Office that recommends the return of mail transportation to the more efficient private carriers.

Mr. Speaker: The element of the collapse of the firm referred to gives, without further detail, at least some indication of immediacy. Accordingly, I must ask whether there is unanimous consent to adopt the motion being proposed pursuant to Standing Order 43.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be debated at this time.

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REPRESENTATION ACT, 1974

MEASURE TO PROVIDE FOR REPRESENTATION IN THE HOUSE OF COMMONS AND ESTABLISH ELECTORAL BOUNDARIES COMMISSIONS

Hon. Mitchell Sharp (President of the Privy Council) moved for leave to introduce Bill C-36, to provide for representation in the House of Commons, to establish electoral boundaries commissions and to remove the temporary suspension of the Electoral Boundaries Readjustment Act.

[Mr. Speaker.]

Motion agreed to, bill read the first time and ordered to be printed.

ORAL QUESTION PERIOD

[*English*]

TRADE

SUGAR—ATTITUDE OF CANADA TOWARDS NEW INTERNATIONAL AGREEMENT AND PRICE TO BE OFFERED

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, may I direct a question to the Minister of Industry, Trade and Commerce. As Canadian housewives and Canadians generally pay what is probably the highest price in the world for sugar as a result of Canada's inflexibility and parsimonious attitude to producing countries during the 1973 sugar talks, will the minister assure the House that Canada will now take the lead in negotiating a new sugar agreement.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we shall be interested in negotiating a new sugar agreement if we can find the basis for a new sugar agreement which will provide for stability of supply for consuming nations and fair prices to producing nations. So far we have not been able to find that basis.

Miss MacDonald (Kingston and the Islands): A supplementary question, Mr. Speaker. In order to avoid the confusion which arose during the 1973 sugar talks concerning Canada's unwillingness to negotiate a fair price for sugar, will the minister tell the House what price Canada is now offering sugar producing countries for their sugar?

Mr. Gillespie: Mr. Speaker, no active negotiations are going on at present. I indicated to the House that we have two preparatory groups which are ready to proceed, both with respect to questions concerning stability of supply and the question of price. We shall be prepared to sit down with producing nations as soon as they indicate to us that they are prepared to meet, as well. I should point out also that Canada is not alone in wishing to take part in these negotiations. Canada is but one of a number of consuming nations. A large number of under-developed countries are consuming nations and net importers of sugar rather than net exporters. They, too, have very important views on the price of sugar.

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AGRICULTURE

POSSIBLE INCREASE IN DOMESTIC SUGAR PRODUCTION—RESULTS OF CONSULTATIONS BETWEEN MINISTERS

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, may I direct a supplementary question to the Minister of Agriculture. In view of the statement of the Minister of Consumer and Corporate Affairs, made in the

House on November 7, that he was waiting impatiently for the Minister of Agriculture's recommendations as to the possibility of increasing to a certain extent sugar production in Canada, has the minister conferred with the Minister of Consumer and Corporate Affairs about this? If so, what were the minister's recommendations? If not, will the minister please explain to the House his tardiness in this matter.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Minister of Consumer and Corporate Affairs and I are always conferring about something. May I inform the hon. member that one reason the document in question was not sent to the hon. member for Perth-Wilmot sooner is this: I was meeting representatives of the sugar beet producers of Canada in my office and we are actively working together in trying to solve this problem.

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CONSUMER AFFAIRS

SUGAR—REASON FOR HIGH PRICES IN CANADA

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, may I direct a supplementary question to the Minister of Consumer and Corporate Affairs. In view of reports to the effect that sugar companies in the United States have increased profits by between 1,200 per cent and 2,000 per cent and as sugar costs the consumer in Canada almost one third more than it costs the consumer in the United States, let me ask, what in hell is going on with sugar prices in Canada.

* * *

INDUSTRY

AUTOMOBILES—FUTURE EFFECT ON CANADIAN AUTO AND RELATED INDUSTRIES OF LAY-OFFS IN UNITED STATES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct a question to the Minister of Industry, Trade and Commerce. Considering that 100,000 automotive workers in the United States have received word that they will be laid off immediately or very soon, and, consequently, as the industry has announced that it will lay off workers in Windsor, St. Thomas, Ajax and Oshawa, and that more lay-offs will follow in Canada, what has the minister's department done in terms of forecasting future lay-offs? Further, what plans has the department made in order to deal with these forthcoming, serious lay-offs in this industry?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we have the matter under continuing study. I indicated that I participated recently in a number of meetings with members of the industry. As for the second part of the question, let me refer the hon. member to the statement made by the President of the United Auto Workers of America. He pointed out that Canadian economic policy seems to be much better designed to maintain a buoyant climate for the automobile industry in this country than is the case in his country.

Mr. Broadbent: A supplementary question, Mr. Speaker. The president of the UAW was comparing what they have down there with what we have, and I suppose in that context his recommendation was not bad. I do not want to be frivolous, although the minister has tried to suggest this is not a serious matter, as he usually does. May I ask the minister this: As it is estimated that one job in six or seven in Canada is related directly or indirectly to the automotive industry, what studies has the minister's department undertaken into the indirect effects of United States lay-offs which will affect employment not only in southern Ontario, but everywhere from St. John's to Vancouver? Has the minister's department determined what other industries will be affected if the inevitable lay-offs in the automotive industry take place? What has the minister done to counter the indirect effects?

Mr. Gillespie: Mr. Speaker, we do not accept the premise of the hon. member's question. We do not think there will be the large number of lay-offs to which he refers. I have said to him that we expect lay-offs of a short and periodic nature from time to time, as a result of the situation in the United States. Indeed, at present we are witnessing a number of lay-offs in companies supplying parts to U.S. automobile manufacturers but, according to indications, these will be of a relatively short duration. I do not anticipate, at present, massive lay-offs in Canada such as have taken place in the United States, or such as the premise or preamble to the hon. member's question suggest.

AUTOMOBILES—SUGGESTED REDUCTION OF DIFFERENTIAL IN PRICE BETWEEN CANADA AND UNITED STATES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I ask a final supplementary question. Considering that consumers in Canada, automotive workers in Canada and in the United States and the American government have all been pressing the government of Canada to bring down the price of automobiles in Canada, which would be a method miles ahead of any other for generating employment in the industry in Canada, and considering that on the assembly line in Oshawa this morning two identical cars were produced, one to go the United States and one to be sold in Canada for $1,000 more than is charged in the United States for that car, the price differential being considerably greater than the 7 per cent or 8 per cent differential the minister has talked about, when is the minister finally going to do something to reduce the price differences in this industry?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, as I have assured the hon. member and indicated to this House recently, we have made real progress in narrowing these price differentials. I remind the hon. member that the Canadian market is strong, probably for two reasons, these being, first, the general economic climate of this country, and second, the fact that the price differential has been narrowing. I remind the hon. member that import today account for close to 15 per cent of the total market, whereas two years

ago they accounted for close to 25 per cent. That is a reflection of the narrowing of the price difference.

Mr. Broadbent: With respect, it is not.

* * *

[*Translation*]

EXTERNAL AFFAIRS

SUGGESTION IN UNITED STATES PUBLICATION CANADIANS DIRT FARMERS AND TRAPPERS—GOVERNMENT POSITION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

A few day ago, a big and influential American magazine, which is very close to the American government, stated that if it were not for American industries, Canadians would be only trappers and dirt farmers. I should like to know whether the Prime Minister or some high official of the government has challenged the magazine and advised it that at one time the Canadians saved the United States and that even today, were it not for Canadian raw materials, several of our insignificant southern friends, such as the one who showed off in the *Baron* Magazine, would be starving like rats. Has the Prime Minister advised them of that?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, we cannot waste our time replying to all the nonentities who have such erroneous opinions about Canada.

* * *

● (1210)

[*English*]

CONFLICT OF INTEREST

DIFFERENCE BETWEEN GUIDELINES FOR CABINET MINISTERS AND CIVIL SERVANTS—GOVERNMENT POSITION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Prime Minister. It arises from the statement of the Prime Minister that his government "believes that no higher standards should be demanded of anyone than of ministers themselves." In light of the fact that conflict of interest guidelines for civil servants require them to disclose apparent conflicts of interest while there is no requirement of disclosure on the part of cabinet ministers, can the Prime Minister tell the House why his government is insisting on more stringent rules governing the conduct of civil servants than those governing their political superiors?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I may have misunderstood the purport of the question, but there are, of course, guidelines requiring ministers to disclose conflicts of interest.

Mr. Beatty: Apparently the Prime Minister forgets the statement he made to the House last year in which he said cabinet ministers could put their holdings in so called blind or frozen trusts, as did the Prime Minister. Is it the policy of the government to allow civil servants to place their holdings in frozen trust, which remain secret from everyone except the individuals involved and their trustees at the same time as they are able to influence public policy that may directly enhance their holdings, as is the case with cabinet ministers?

[Mr. Gillespie.]

Mr. Trudeau: Mr. Speaker, that is not the case with cabinet ministers nor will it be the case with civil servants who each have to report to the minister on the action they have taken to eradicate or eliminate any conflict of interest.

Mr. Beatty: I suggest that perhaps the Prime Minister does not understand the regulations for cabinet ministers. In light of the fact the present regulations regarding ministers allow conflicts to continue hidden behind frozen or so-called blind trusts and no provision is made for the holdings of spouses and the reporting procedure has ministers accountable to a civil servant and not to an officer of the House, is the government giving consideration to replacing its guidelines with a system of full, true, plain and public disclosure of the assets and liabilities of all ministers, their spouses and dependent children, before an officer of the House?

Mr. Trudeau: The hon. member is obviously making a series of representations on what he thinks the conflict of interest guidelines should be. We have laid the guidelines before the House.

Mr. Beatty: They are just a smoke screen.

Mr. Trudeau: We are prepared to defend them. If members opposite feel they do not go far enough, they in conscience can take their own action, as did the hon. member for Brome-Missisquoi.

Mr. Beatty: You campaigned on leadership.

Mr. Trudeau: If the hon. member feels he is in a conflict of interest situation, surely in his own conscience he should go further than he has.

* * *

IMMIGRATION

AGREEMENT WITH QUEBEC—RECONCILIATION OF ENCOURAGEMENT OF FRANCOPHONE APPLICANTS WITH HIGH UNEMPLOYMENT RATE IN QUEBEC

Mr. Jake Epp (Provencher): Mr. Speaker, I wish to direct my question to the Prime Minister. In view of the upcoming agreement between Ottawa and Quebec with regard to the recruitment of French-speaking immigrants to Quebec and Quebec's establishment of immigration bureaus in Portugal, Spain, Morocco, Portuguese Africa, Haiti and Latin America, will the Prime Minister indicate how this matter can be reconciled with the October 22 statement of the Minister of Manpower and Immigration whereby immigrants would be coming into Canada on the basis of job vacancies when the unemployment rate in Quebec is consistently higher than that of the national average?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not aware of all the offices that the hon. member alleges will be opened. Certainly, some that he named are not in French-speaking countries. However, the reconciliation will of course be made by the fact that all immigrants, no matter what their ethnic origin or linguistic group, will have to come under Canadian laws and regulations. The provinces are not in any position to exempt any immigrant from those laws and regulations.

AGREEMENT WITH QUEBEC—REQUEST FOR ASSURANCE NO CHANGE MADE

Mr. Jake Epp (Provencher): In view of the 1971 agreement between the government of Canada and the government of Quebec whereby the immigration bureaus of the province of Quebec could only interview prospective immigrants who had been referred to federal immigration officers, will the Prime Minister assure us that process will not be changed? I ask this question in view of the fact this agreement is now being re-negotiated.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know of no plans to change that agreement. The whole object of the procedure referred to by the hon. member was precisely to ensure that the Quebec representatives would have facilities in proximation to the federal facilities so there would be no danger of confusing a prospective immigrant and he would know the overall situation, I repeat, I know of no plan to change that situation. I will take notice of the question on behalf of the Minister of Immigration in case there is something to add.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I also have a supplementary for the Prime Minister.

Given the importance, for the province of Quebec, of having a higher proportion of French-speaking immigrants, would the Prime Minister be prepared to give particular attention to that possibility?

Mr. Trudeau: Mr. Speaker, I am under the impression that we have never seen more clearly than today the division among the Conservatives on the question of bilingualism.

* * *

[*English*]

CONFLICT OF INTEREST

REASON FOR EXCLUSION OF SPOUSES FROM GUIDELINES

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the Prime Minister. It may be supplementary to the question asked by the hon. member for Wellington-Grey-Dufferin-Waterloo. A loophole in the Registered Home Owner Savings Plan has been identified whereby a husband can transfer the family home to his wife, save up to $10,000 tax free and then buy back part of the house. Department of Finance officials are aware of this loophole. I quote from an article that appeared in this morning's *Gazette:*

Property transferred to a spouse remains her property in the event of a divorce—a possibility most individuals would not want to risk.

Can the Prime Minister indicate whether there is similar reasoning behind his view that spouses of cabinet ministers need not be subject to conflict of interest regulations?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

REQUEST THAT SUBJECT MATTER BE REFERRED TO A COMMITTEE

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I wish to continue on this question of the government's reluctance to come clean on the question of conflict of interest. I refer to the refusal yesterday of the government House leader, in reply to a question asked by the hon. member for Peace River, to indicate the time of reference to a committee of guidelines concerning conflict of interest. I ask the Prime Minister to now give us a date when there will be a reference to a committee on the conflict of interest question and give us a specific commitment that the terms of reference of that committee will be broad enough to allow consideration of the Lalonde affair and all potential conflicts, including spouses of ministers.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is no reluctance on the government side to refer this to a committee. We indicated in the previous parliament we were doing this. In this parliament it is a matter of House leaders getting together, deciding when they will make the reference and what the terms will be. I, personally, am looking forward to the views expressed by opposition members in the matter of responsibility of spouses. I look forward to seeing what position they take insofar as the respect of the individuality of the spouse is concerned and whether they intend to withdraw from wives or husbands the right to act on their own in areas which come within the law.

Some hon. Members: Hear, hear!

* * *

● (1220)

AGRICULTURE

REQUEST FOR DEBATE ON GOVERNMENT POLICY ON IMPORT QUOTAS ON BEEF—GOVERNMENT POSITION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question, which is on another subject, is addressed to the Prime Minister. When can we expect a definitive statement of policy in this House on the subject matter of last Monday's cabinet meeting, namely, the embargo by the United States against the importation of beef and hogs into that country?

Right Hon. P. E. Trudeau (Prime Minister): The note to the United States was tabled in the House and it was made clear that we are expecting a response from the United States. I imagine the next step will be to hold meetings of officials so that we can discuss that response,

and perhaps place the matter before a meeting under the provisions of GATT.

Mr. Lawrence: I am not talking about the response of the United States to the note. I am talking about the response in this House, or the opportunity afforded the opposition to make a response in this House to the policy of the government. It is a completely different matter.

Mr. Trudeau: We are very anxious indeed to have the views of the opposition on this as on other matters. Surely, the present debate on the budget is an occasion which will permit the hon. member and his colleagues to express their views on this question—they seem to be talking about everything else which is irrelevant.

* * *

[*Translation*]

COMBINES

THE ACQUISITION OF PRICE COMPANY BY ABITIBI PAPER COMPANY—REQUEST FOR INVESTIGATION

Mr. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, I wish to direct a question to the Minister of Finance.

Following the important stock exchange operation which was carried out yesterday and which saw the control over Price Company Limited, a Quebec-based firm, fall into the hands of Abitibi Paper Company Limited, a Toronto-based firm, does the minister intend to order an investigation into the methods used in this case which have been reportedly detrimental to a number of small investors who, for all practical purposes, have been swindled pure and simple.

Hon. John N. Turner (Minister of Finance): I take notice of this question, later to give the hon. member a more complete reply.

* * *

[*English*]

ENERGY

SARNIA-MONTREAL PIPELINE—DATE INTERPROVINCIAL FIRST RAISED QUESTION OF SUPPLY—GOVERNMENT INTENTIONS WITH REGARD TO CONSTRUCTION

Mr. John Fraser (Vancouver South): My question is for the Prime Minister, Mr. Speaker. I hope he will consider this one to be relevant. It refers to the Sarnia-Montreal pipeline. The minister of energy admitted to the House only last Thursday that the Interprovincial Pipe Line Company has become concerned lest there might not be adequate reserves to supply the line in early 1980's. Since the construction of this pipeline has been government policy for more than a year now, it seems strange that such concern should not have been raised until some time last month. Can the Prime Minister tell us, in the absence of his colleague, the date on which this concern by Interprovincial or others first came to the attention of the cabinet or of himself?

[Mr. Trudeau.]

Right Hon. P. E. Trudeau (Prime Minister): I cannot mention the exact date, but I will gladly take note of the question on behalf of the minister.

Mr. Fraser: Just to try to keep the question relevant, and to put it in very plain English, or the other official language—and this should be a question the right hon. gentleman can answer without referring to the minister of energy—may I ask whether the government is still committed to the pipeline project? Is there a timetable for its completion, and, if so, what is it?

Mr. Trudeau: I shall take note of that question, too.

* * *

FINANCE

EFFECT OF WAYS AND MEANS MOTION NO. 9 ON BRITISH COLUMBIA NATURAL GAS COMPANY—GOVERNMENT POSITION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Finance in the absence of the Minister of Energy, Mines and Resources. In view of the fact that in British Columbia private gas companies have the right to shut off all natural gas at the wellhead rather than be forced to operate at a loss, as would be the clear effect of motion No. 9 in the Ways and Means motions we are considering, would the minister advise us whether he is urging that the price of natural gas in the Pacific Northwest be renegotiated in order to make marketing arrangements in British Columbia viable? Or is he willing to see the British Columbia Petroleum Corporation collapse?

Hon. John N. Turner (Minister of Finance): I do not accept the preamble. I do not even accept the conclusion from the preamble on the basis the hon. gentleman has put it.

POSSIBLE CONSTITUTIONAL QUESTION RAISED BY WAYS AND MEANS MOTION NO. 9—SUGGESTED REFERENCE TO SUPREME COURT

Mr. Stuart Leggatt (New Westminster): Aside from the question whether the preamble is acceptable or not, would the minister agree that motion No. 9 in the Ways and Means motions brings up a constitutional question and might interfere with traditional rights under the British North America Act, and that it certainly destroys whatever marketing arrangements for natural gas exist in British Columbia at the present time? Would the minister urge the Prime Minister to call a conference of first ministers in this country before the legislation involving the Ways and Means motion is presented to this House so that one of the most serious federal-provincial confrontations which could ever occur in this country might be avoided?

Hon. John N. Turner (Minister of Finance): That is up to the Prime Minister, but I would not urge it at this stage.

Mr. Leggatt: In view of the very serious constitutional issue which arises both with regard to the question of royalty deductions and to the question of fair market

value in assessing the income of private oil and gas companies, would the minister at least consider making a constitutional reference to the Supreme Court of Canada on this subject so that before a confrontation takes place we may be in possession of a definite decision as to whether the minister is acting constitutionally in connection with the budget now before the House?

Mr. Turner (Ottawa-Carleton): I cannot see that there is anything in the British North America Act which would apply to royalties being deductible for income tax purposes.

* * *

TRADE

POSSIBLE IMPOSITION OF IMPORT QUOTAS ON EGGS FROM UNITED STATES

Mr. Jack Murta (Lisgar): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce, or his parliamentary secretary, or for the Minister of Agriculture. I should like to know, from whoever answers my question, whether the Canadian government will be placing import controls on eggs coming into Canada from the United States as from Monday.

[*Translation*]

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I take notice of this question and will refer it to the minister.

* * *

[*English*]

AGRICULTURE

REQUEST FOR STATEMENT BY MINISTER ON PATTERN OF TRADE RELATIONS DEVELOPING WITH UNITED STATES

Mr. Jack Murta (Lisgar): Since it seems apparent that this is what will happen—that the price of Ontario eggs will be going up on Monday, and the only way in which this can take place would be by preventing eggs coming into Canada from the United States, I should like to ask the Minister of Agriculture whether he will be making a statement as to the pattern of trade relations which is developing between Canada and the United States? Will he make such a statement during the early part of next week, possibly on Monday?

Hon. E. F. Whelan (Minister of Agriculture): Definitely not on Monday, because I shall be meeting with the provincial ministers of agriculture to discuss this very problem. I want to make it clear that there will not necessarily be any statement made.

FINANCE

DATES OF MEETINGS AND NAMES OF VARIOUS GROUPS CONNECTED WITH DISCUSSIONS ON MEASURES TO FIGHT INFLATION—TERMS OF REFERENCE OF JOHN YOUNG

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Minister of Finance. Given the fact that in the budget he stresses that cost-push inflation is still a serious problem and that he proposes to deal with it by meeting with representatives of various sectors of the economy, can he tell us the specific dates of these contemplated meetings and name the specific groups he proposes to meet in connection with these consultations?

Hon. John N. Turner (Minister of Finance): Not today, Mr. Speaker. Consultations are proceeding between the Prime Minister and other ministers and various groups on an informal basis. In due course a statement will be made in the House.

Mr. Gillies: Can the Minister of Finance tell us whether or not part of the terms of reference of John Young is to declare an incomes policy for Canada?

Mr. Turner (Ottawa-Carleton): The answer is, no.

* * *

ENERGY

POSSIBLE SHORTAGE OF OIL—SUGGESTED SHELVING OF PETROLEUM ADMINISTRATION ACT AND BUDGET PROPOSAL ON OIL ROYALTIES

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Prime Minister. In view of the prospect envisaged by the National Energy Board that Canada's self-sufficiency in oil may not be long maintained, and that shortages may arise within seven years even if exports to the United States are cut, would the Prime Minister consider shelving the Petroleum Administration Act as well as the proposal put forward in the budget speech dealing with royalties and other disincentives to the production of oil in this country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take that question as notice.

● (1230)

Mr. Yewchuk: A supplementary question, Mr. Speaker. Would the Prime Minister indicate whether, in view of these reports of insufficiency in the near future, he intends to put before the House some new and extraordinary measures to encourage an accelerated rate of production of petroleum products in this country?

Mr. Trudeau: Mr. Speaker, the hon. member can wait and see.

Mr. Baldwin: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: The hon. member for Peace River is rising on a question of privilege.

Mr. Baldwin: I see the Prime Minister about to go, but it has been brought to my attention that during the course of a legitimate exchange on the question of conflict of interest a short time ago, the Prime Minister made a derogatory remark about an hon. member on this side. He pointed across the Chamber and called him a name which is quite improper and unparliamentary. The right hon. gentleman is nodding his head. If that is the case he should stand up and tell the House what he did say and who the hon. member was.

Mr. Speaker: Order, please. Surely, in questions of conduct or language and their proper usage and respect for parliamentary custom the Chair can only take notice of remarks that are on the record. I was not able to hear the remark referred to, and unless the Chair heard it at the time I could not pass judgment on it.

Mr. Alexander: Stand up like a man and show that leadership.

Mr. Hees: Mr. Speaker, I rise on the question of privilege.

Mr. Speaker: The hon. member for Prince Edward-Hastings on the question of privilege.

Mr. Hees: I hope that the right hon. gentleman will get up and say what he called the hon. member on this side and withdraw the taunt. If there is any doubt about what was said, I heard it three times and would be glad to repeat it.

Mr. Speaker: The Prime Minister is rising on the question of privilege.

Mr. Trudeau: Mr. Speaker, if the hon. gentleman is referring to the hon. member who asked me a question relating to divorce in my family, I would gladly repeat to him what I said. If he wants to step outside I will tell it to him to his face.

Some hon. Members: Hear, hear!

Mr. Andre (Calgary Centre): On the question of privilege, Mr. Speaker.

Mr. Speaker: The hon. member for Calgary Centre on the question of privilege.

Some hon. Members: Resign.

Mr. Andre (Calgary Centre): Mr. Speaker, first off I want to say that I deeply regret that the Prime Minister or anybody on that side of the House took the interpretation of my remarks that he did. I would invite hon. members to examine *Hansard*. I can assure the House that my points—and hopefully one does not have to attest to the validity of the position by making some declaration or oath—in raising the question were twofold. First, I thought the reply by the official of the Department of Finance that the threat or risk of divorce was sufficient deterrent to anyone making use of that loophole was a ridiculous basis upon which to make law in this country. Secondly, I also wanted to re-emphasize, along with other members on this side, a point that my leader emphasized earlier this week and one, about which we feel very strongly, namely that guidelines on conflict of interest which require semi-disclosure in the form of a blind trust on the part of cabinet ministers, but no disclosure in terms of the spouses of cabinet ministers, are in fact no disclosure at all.

Contrary to reflecting on the family life of any cabinet minister, we are operating on the assumption that their families are of such a make-up that they could make use of this loophole in the conflict of interest guidelines. I repeat that I regret the Prime Minister did not see fit to remain and hear these remarks. There was no intention whatever, in anything that I have said or I am sure anything in what my colleagues have said, to reflect upon the personal life of any member of this House. But that does not get away from the fact that it is important for the people of Canada to have the assurance that there is no conflict of interest on the part of cabinet ministers.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Caouette (Témiscamingue): On a point of order, Mr. Speaker.

Mr. Speaker: Is the hon. member for Témiscamingue rising on a question of privilege?

Mr. Caouette (Témiscamingue): Mr. Speaker, I am rising on a point of order or a question of privilege, it does not matter. I think that we are wasting precious time in the House discussing conflicts of interests. Nobody in Canada, I think, would allow a minister representing the government to travel at the expense of a private company. However, I will point out to my Progressive Conservative friends that when they were in power, we learned that ministers of the Crown flew to Boston football or baseball games in government planes. This was unauthorized.

[*English*]

Mr. Speaker: Order, please. With the greatest respect, the question at issue is not the subject of conflict of interest and guidelines related thereto, except in so far as these relate to the question of privilege that has been raised. I think it might be appropriate to get back to the original question of privilege raised by the hon. member for Peace River (Mr. Baldwin), and again by the hon. member for Prince Edward-Hastings (Mr. Hees), which was based on an alleged remark made by the right hon. Prime Minister.

I have heard hon. members in discussion of this question. One of them was the right hon. Prime Minister who made reference to a remark about divorce. Accordingly, I allowed the hon. member for Calgary Centre the opportunity to explain what his remark meant in his own terms. In any case, the only relevancy of the question of conflict of interest in that context was as an explanation of the hon. member's reference to divorce, so far as it related to the alleged question of privilege.

With regard to the question of privilege, again I say I have benefitted from the contribution of hon. members to the question of privilege, which basically arises from something alleged to have been said *sotto voce* by the Prime Minister. It is not on the record, the Chair was not able to hear it, and accordingly I am not in any position at

this time to rule on it. It may come to light in some other way if there is an actual and formal complaint by a member who was aggrieved or offended by the remark itself. Since I do not have it before me at this time, I would hope that hon. members might now busy themselves by concluding the remaining five minutes of the question period.

Mr. Baldwin: Mr. Speaker, Your Honour has disposed of the question of privilege. I would rise on a point of order. Accepting the invitation of the Prime Minister, and in order that this matter may be brought out before the public as it should be, I right now indicate my willingness to meet with the government House leader to arrange terms of reference so that this House can have a full public and independent inquiry into the facts.

* * *

[*Translation*]

HOUSING

HABITAT '76 IN VANCOUVER—CONSULTATION WITH THE PROVINCES

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to put a question to the Minister of State for Urban Affairs.

As the United Nations have agreed to the Canadian proposal for an international conference on human establishments in Vancouver, in June 1976, is the minister in a position to advise us as to whether Canada has since received a favourable reply from the provincial governments and from private institutions expressing a wish to participate in it by advocating worthwhile projects?

● (1240).

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I could hardly hear the question because of the side talk. As I understand the question by the hon. member for Abitibi, let me say there has been a great deal of interest by the provinces, non-government organizations and municipalities in the United Nations Conference on Human Settlement in Vancouver in 1976, known as "Habitat '76". The demonstration projects are only incidentally related to that conference. It is an ongoing program for five years and there has been considerable interest. We are having regular meetings. There is an excellent and progressive advisory committee which receives these submissions and we hope to have an announcement in the not too distant future on the initial projects that have been approved.

Mr. Brewin: Mr. Speaker, my question was to be addressed to the Secretary of State for External Affairs, who seems to have had too much of Parliament and has withdrawn.

[*Translation*]

Mr. Laprise: On a point of order, Mr. Speaker.

Mr. Speaker: Is the hon. member raising a point of order?

Mr. Laprise: Yes, Mr. Speaker. I have been rising three times to put a supplementary to the Minister of State for Urban Affairs and I have not yet been recognized. I wonder why other hon. members are being recognized for supplementaries while I am unable to obtain the same attention.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs.

[*Translation*]

Mr. Laprise: Mr. Speaker, I raised the question of privilege and, in my opinion, it has priority over any other issue.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister of Veterans Affairs—

[*Translation*]

Mr. Laprise: My question of privilege is this, Mr. Speaker. A moment ago I raised on a point of order and I asked you to make a decision on this point. I am now asking you to make a decision.

[*English*]

Mr. Speaker: The hon. member will realize that it is always within the discretion of the Chair to allow or disallow supplementary questions in some instances, particularly late in the question period when there are many members who have not had an opportunity to ask a question, and when the Chair is endeavouring to get around to as many members as possible. The nature of the question of the hon. member for Abitibi invited a general response and an indication of developments that may take place a considerable time in the future. Having received a complete answer to that, it is within the discretion of the Chair to suggest that the hon. member ought not to be granted the opportunity to pose a question supplementary to the one he has asked and has had answered, but that other hon. members ought to have an opportunity. That has always been the discretion of the Chair, and that does not constitute a point of order or question of privilege.

* * *

VETERANS AFFAIRS

POSSIBLE INTRODUCTION OF LEGISLATION CONCERNING HOUSING FOR VETERANS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in view of the many references made on November 5 and November 6 during the recent debate on the Veterans Land Act to the possibility of introducing veterans' housing legislation, which would be even better than the provisions of the Veterans Land Act, could the Minister of Veterans Affairs now say whether such legislation will be introduced in the near future?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, as was indicated by myself and also

by my colleague, the Minister of State for Urban Affairs, this proposal is still under study, and I feel good progress is being made.

SURVEY OF VETERANS HOUSES IN NEWFOUNDLAND—POSSIBILITY OF ASSISTANCE FOR IMPROVEMENTS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I should like to put a supplementary question to the Minister of Veterans Affairs. As a result of a survey conducted by the provincial command of the Canadian Legion of Newfoundland, looking into the substandard quality of many veterans' homes, would the minister indicate whether he has received the results of that survey, and if he is going to advance any program to provide recipients of war veterans' allowances and other veterans with government assistance to improve the substandard quality of their homes?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I have received the first part of that survey, which I note is in parts and is not yet completed. When it is completed and has been fully studied by my department, if there is policy to be derived from it, there will be an announcement in due course.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question was for the Secretary of State for External Affairs, but in his absence perhaps I might direct it to his parliamentary secretary. I wonder if I could have the attention of the Parliamentary Secretary to the Secretary of State for External Affairs.

An hon. Member: He is not in the House.

* * *

AGRICULTURE

BEEF—REQUEST FOR GOVERNMENT MEASURES TO AID CATTLE INDUSTRY INCLUDING CASH ADVANCES

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Agriculture who has announced his discovery of the great demand on the productive capacity of our farmers, and has announced his intention of increasing that capacity by 50 per cent over five years. Will he tell the House today what the government will do to assist the cattle industry in Canada over the next few years, and particularly what it will do to help that industry get over the coming winter, thereby preserving and industry so vital to the farm sector?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I want to make it very plain and clear that the hon. member is taking what I said at least partially out of context. I said that if our farmers were given the incentive—stabilization, etc.—they will increase their productivity 50 per cent in five years, and we are going to bring forward plans for stabilization, etc., to help all sectors.

Mr. Oberle: Mr. Speaker, in light of the minister's planned meeting on Monday with provincial agricultural ministers, will he tell the House today if he is prepared to brief those ministers in respect of a formula which would give the cattle industry the cash advances necessary to get it through this winter so that cattle farmers will not have to sell off their breed cows?

Mr. Whelan: Mr. Speaker, the main purpose of that meeting to be held with the provincial ministers on Monday is to discuss the egg marketing problem we are facing in Canada at the present time, and the follow-up meeting we are to hold with them in July. They have appointed an ongoing committee of provincial and federal representatives to study the situation and make a report. There is no doubt in my mind that other topics will possibly be put forward, and the one the hon. member has mentioned will perhaps be one of those topics for discussion.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Thursday, November 21, consideration of the motion of Mr. Turner (Ottawa-Carleton) that this House approves in general the budgetary policy of the government, and the amendment thereto of Mr. Stanfield (p. 1502).

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I should first like to congratulate the Minister of Finance (Mr. Turner) on what I sincerely believe is the best economic budget we have ever had in that it is reasonable, sensible and of benefit to all Canadians. Certainly, the reductions in income tax will be of benefit to all Canadians, as will the reduction in the tax on building materials which amounts to a saving of $650 on the purchase of a home. I should also like to refer to the $500 grant to those purchasing new, moderately priced homes within the next year. I think this provision should have gone a little further and made the grant available to individuals purchasing their first home who, because of limited income, must of necessity purchase an older home. I think they, too, should have the benefit of this $500 grant.

I am receiving a great many representations from people on low incomes who want to purchase a home for the first time but can only afford an older home. Surely they should be given some consideration by the government in respect of this proposed grant. To this end, I hope the Minister of Finance, the Minister of State for Urban Affairs (Mr. Danson) and the cabinet as a whole will give consideration to this matter and will come up with a proposal as soon as possible.

● (1250)

I have congratulated the minister. It is not often that I rise and give out congratulations, but today I will speak of the Minister of National Defence (Mr. Richardson) who represents Winnipeg South. I would be in favour of main-

taining the number of armed forces personnel at the target of approximately 82,500. I know the minister is making representations to the cabinet to this end, and also to obtain a sufficiently large budget to provide our armed forces with the proper, necessary equipment for training, for peacekeeping activities, for NORAD and NATO, for aid to civilian authorities, and so on. I believe the Minister of National Defence has done a tremendous job in making these representations to the cabinet. The minister has also done a great job in bringing industry to western Canada, at the risk, in many instances, of being criticized. He has put his job on the line and his head on the block. The Minister of National Defence is very sincere in what he is doing; and with reference to pork-barrelling in certain areas, there is certainly less of it in western Canada, especially in Manitoba and Winnipeg.

I would like to refer to some things the minister might have done. With regard to the 12,697 pairs of snowshoes which are being purchased in Ontario at a cost of over $100,000 more than if they were purchased in Winnipeg at the retail price, I compliment the Winnipeg *Free Press* for bringing this matter to the attention of the public. I am certain that the fact they were not bought in western Canada is not the fault of the minister. I shall now refer to some things that the minister has done to the benefit of western Canada—and there is no doubt that the west needs a lot more help. Since we have been debating the budget, the opposition have made frequent references to the fact that very few Liberal members are from western Canada. It was said yesterday by opposition members—and I listened very carefully—that this government does not pay enough attention to western Canadians and this is the reason so few Liberals represent that part of the country.

I say to you, Madam Speaker, that the voice of the Minister of National Defence and the voice of all western Canadians is clearly heard and listened to. I suggest that without doubt western Canada would receive its fair share even if there were no Conservatives representing it in this House nor, for that matter, any Liberals. As I have said, there are very few of us; however, I think the number is unimportant. What has the Minister of National Defence done to benefit western Canada? Let me give a few examples. The Arctic trading centre in northern Manitoba at Churchill means that the expenditures of the Canadian forces personnel living permanently in Churchill, in addition to the expenditures of hundreds of personnel sent there from time to time for training, will help to strengthen the economy of northern Manitoba. This trading centre was opened in response to requests from the town of Churchill and the people living in the area, as well as requests from members on this side of the House.

Throughout the province there was during the past year a substantially increased expenditure by the Department of Regional Economic Expansion. Within the last year, 41 incentive grants have been made to encourage small business activities. More than 1,450 jobs have been created in Manitoba as a result of federal government grants. I am not referring to the year 1974 but, rather, to the period ending December, 1973. For example, there was the decision to build a defence research establishment in Winnipeg, another project which was brought to Winnipeg by the Minister of National Defence. This will mean more jobs for university graduates in Manitoba because the variety of skills and trades related to this research project will provide more employment. Although there are seven defence research establishments throughout Canada, employing more than 2,000 people, there has never been such an establishment in Manitoba throughout the 107 years of Canada's history. This is also to the credit of the minister from the province of Manitoba.

With regard to protection of the north, increased activity and interest in the north will be created by the decision made to have Canadian naval crews undertake some of their training at Hudson Bay and Manitoba's port of Churchill. I am glad to be a member of parliament from that area. Canada is a three-ocean country and Canadian sailors should be as familiar with Arctic waters as they are with the Atlantic Ocean and the Pacific Ocean. The Minister of National Defence can be credited with establishing the training base in the northern port of Churchill.

The minister has done many other things to benefit western Canada, Manitoba in particular. To name but a few more, there is the Boeing aircraft plant in Manitoba, the fresh water research institute at the university of Manitoba, built at a cost of some $8 million, the new federal building on Main Street and major renovations at Lower Fort Garry. Let me also point out that part of the Royal Canadian Mint was moved to Winnipeg, where all coins in circulation in Canada will be minted. These are certainly assets for western Canadians and we thank the minister for them. He made an all-out effort to show Canadians that no matter whether they support this government or not, they are not forgotten. The mint in Winnipeg will also be minting coins for many other countries.

[*Translation*]

In addition, Madam Speaker, I would like to put on record in *Hansard* the various subventions my constituency and particularly the great number of French Canadians who live in it, have received. I am referring to the subventions allocated to the official languages program in the constituency of Saint-Boniface, from 1969 to 1974.

Madam Speaker, may I call it one o'clock?

The Acting Speaker (Mrs. Morin): Order, please. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Guay (St. Boniface): Mr. Speaker, at one o'clock, when the House took recess, I was just starting to enumerate the subsidies to language training in my riding of Saint-Boniface. As you know, the city of Saint-Boniface itself, and not the riding, has a population of 50,000, although the two other cities in my riding, Transcona and St. Vital have a population of respectively about 26,000 and 39,000. Saint-Boniface, has the most important group of French Canadians in the west, and that is where we got subsidies under the terms of the language program.

I should like to take this opportunity to put them on record. Very briefly, I will say that the SFM received, from 1969 to 1974, $562,000 for Social animation, $120,000 for support, $29,340 for publicity and $81,930 for support and activities. The Cercle Molière received $6,500 for publicity, and $99,300 for support and activities. As you know, Cercle Molière is well known through Canada. The choir "Les Intrépides" got $7,250 for broadcasting and $7,300 for its operations. The "100 Nons" received $5,950 for broadcasting and $35,050 for operations. The Saint-Boniface cultural Centre received $150,000 for support and administration for the period 1969 to 1973. This is a federal-provincial program. Furthermore, the cultural centre also received another $75,000 in 1973 for operations and activities.

Another organization sponsored by SFM, "Manicopains", received $2,000 for operations, "Mélo-Mani". $15,000 the "Gais Manitobains", $6,320 also for operations and the "Mini-franglais", $10,000 for operations and rapprochement which gives a total of $1,213,540 and this does not include grants under Local Initiatives Programs. And there are many other things I am not talking about.

I would like to add that the Pedagogical Institute at St. Boniface College, which is located in a new building, received, once again with the provincial government's help, $1 million in 1972-73 towards the construction and operation of this building and another $95,000 for operations, which makes up 25 per cent of the cost, the balance being paid by the provincial government. The library of this college also received another grant of $25,000.

Mr. Speaker, I am mentioning these things because I believe it is important to get them on the record not only for the organizations which received these amounts but also that other people in my riding might know what is happening.

I would also like to mention the fact that insofar as the Secretary of State is concerned, for the year 1974-75 ending March 31, franco-manitoban SFM expenses will total about $301,800. That means that the cultural centre will receive, for 1974-75, a share of $100,000, social animation, $107,000, French-English relationships, $21,800, youth, $18,000, broadcasting, $25,000, special projects, $10,000 and I am not mentioning other grants totalling $20,000.

I thought those things deserved to be mentioned along with the others.

I would also like to mention federal participation of up to 90 per cent towards construction of senior citizens' housing. As you are aware, these are arrangements between the federal government and the provincial government, under which the federal government always lends 90 per cent of the amounts required to build these houses. We have the same situation with other programs we set up with the province. The people who live in those buildings are inclined to believe that it is the provincial government that gives those things to them, and not the federal government. I think we must stress our participation in these programs and openly tell the aged that the federal government lends 90 per cent of the amounts, that it set up the program New Horizons for the Aged and that it deserves credit for that.

[Mr. Guay (St. Boniface).]

● (1410)

[*English*]

I submit that the federal government is not being given enough credit for programs resulting in the building of homes including those for senior citizens. The people of Canada ought to know that we, the federal government, through Central Mortgage and Housing Corporation make available 90 per cent of the funds in this area. By far the greatest proportion of the cost of these homes is borne by the federal government through grants and other payments, and not by provincial governments. Of course, the federal government has provided substantially increased financial assistance for housing of all kinds, including low-cost housing, senior citizens' homes, and so on. For example, in one year the federal government provided $94 million for housing programs in Manitoba. These facts are well worth noting.

I see that the hon. member for Winnipeg South Centre (Mr. McKenzie) is present. What I am about to mention I think will interest him. I am referring to an article, by Frances Russell, carried in the Winnipeg *Free Press* of November 18 last. The headline is, "Fired on from all sides". The article refers to the efforts of the Minister of National Defence to have Air Canada establish an overhaul base in Winnipeg. It speaks of Air Canada building its own $15 million hangar to be used for overhaul work of its own and other aircraft. The target was the creation of 800 jobs. I have spoken to the Minister of National Defence about this, and I will say that when he makes a promise he always fulfils it. I have discussed the matter with the Prime Minister (Mr. Trudeau) and have been assured that this promise will be fulfilled. Actually, the Prime Minister made the statement on behalf of the Minister of National Defence. So I wish to reassure my constituents that this promise will be carried out and it will be of significant benefit to all Manitobans.

I now refer to my own bill, Bill C-139, which was presented in the previous parliament. The same proposal is now before this House but the number of the bill has been changed. I believe that members on all sides supported my previous bill and I hope they will wholeheartedly support my present proposal. The Minister of Transport (Mr. Marchand) and his officials support my proposal. I believe it would have been carried if the election had not intervened. Of course, what is proposed can be carried out in many different ways. Although the Minister of Labour (Mr. Munro) established the Hall commission to look into various aspects of railway workers' pensions, and although that commission is doing a good job and I see nothing wrong with it, I believe its establishment was a holding tactic because it will be a long time before the commission makes its recommendations.

That is why I have brought forward my own proposal. The government may consider the advisability of implementing it, or of doing the same thing through order in council so that railroad workers will not remain orphans, as they now are, and will be given the same benefits as are accorded to employees of other Crown corporations such as Air Canada. The employees of other Crown corporations have available to them superior pensions. I believe railway workers and railroad pensioners should be given pension benefits at least as good as those given to

employees of other government agencies. There should be parity of pensions. I believe my solution would not cost the government any more money than it is already supplying to the CNR. The time has come for all employees in the public service and in Crown corporations to be treated alike.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, the hon. member for St. Boniface (Mr. Guay) is known for his courage in defending people of his constituency. The remarks he made today show that he has courage in defending the minister from Manitoba. That minister needs all the defence he can get because, when the chips are down, if he cannot fulfil what he has promised he must resign from the cabinet. I hope the hon. member for St. Boniface will be on his side when that fight takes place.

Ordinarily, budget speeches try to deal with subjects which the House should face. But the present speech does not face the facts of life; it does not really deal with international monetary affairs. The entire world, including Canada, is wondering whether western nations are not plunging headlong into another ten-year depression. One would expect the budget to tell us how the government plans to head off a depression in this country, but it does no such thing. The Minister of Finance (Mr. Turner) does not seem to be aware that there are no models, no precedents to follow in the current situation. Domestic monetary and fiscal policies in Canada are still based on the concepts of the 1930s, on the concepts of Lord Keynes. Those concepts are obsolete. For example, we face shortages of internationally-traded commodities.

● (1420)

If we were doing our duty in this House, this debate would be centred on the necessity to develop models to grapple with the new situations which have arisen. This budget is, in a narrow sense, simply the old establishment bunch handing out a few goodies here and there. When one adds it all up, it means that you take $2 billion from the suckers—the taxpayers—because of growing inflation, and hand them back a quarter of it. Instead of dealing with the problem of inflation, particularly with regard to trade, we find our country aligning itself with resource-deficient nations of the world, especially those within GATT. We see them turning down all the efforts of the newly-developing nations to organize themselves and get a fair price for their products. We take the side of the fat-cats in a walled city handing out a few crumbs at the gates.

I could go on listing all the things a budget debate should include, but they would have to take second place to the real issue of this budget. The real issue is that this government is, unilaterally, changing the constitution of Canada. By unilateral action it is ignoring the efforts of many people over the past 20 years to find a way of bringing the constitution home and finding a way to amend it by consultation with all Canadians. The government is plunging ahead on a unilateral course that can only be described as a declaration of open war on the provinces of this country.

This is a federal state. This federal state is unique. There are not many federal states in the world and the one we have is unique because it seems to be working better than any other federal state. I do not intend to make a long analysis of the federal system of the United States, Malaysia, Australia or any other country that has the system. I am simply saying ours has worked reasonably well for 107 years. It is an example to the world that people of different regions and different ethnic backgrounds can get along together.

This situation is being challenged. The excuse for the challenge is that there is supposed to be a shortage of oil and gas in the world. When the parliament of 1972 met, on behalf of the official opposition and with the support of the NDP I proposed to the resource minister of this country that because the world shortage of certain resource commodities, particularly energy, offered Canada one of the greatest opportunities in its history, we should develop an industrial strategy that would bring industry here on a comparative advantage basis. I proposed that all parties should pull together and help to develop not only a national energy policy but a national resource policy, and from that an industrial strategy with all the nations of the world, as a result of which everybody would benefit.

I thought that offer was accepted. We were told to wait until July, when the government would bring out its two-volume report on energy. We were told, on that basis, that we could have consultations with industry, with the provinces and the various parties in parliament, and we would evolve such a policy. However, all that fell apart on September 4, 1973, with the panic actions of the government trying to convince Canadians that the Liberal Party was the party for the consumers. The only thing of substance they had to offer was a voluntary agreement to keep the price of oil at $4 a barrel. Later that month the government brought in the export tax. They said that half of the tax would go to the producing province and half to the federal government. In November they brought on the phony oil crisis. Here were we, a nation surplus in oil, being told we must tighten our belts in order to survive. The minister said we would be short 200,000 barrels a day. I said at that time it was a shocking revelation that would increase tensions in our federal system.

The minister was so desperate in trying to make himself the Grinch who stole Christmas that he even advised Canadians to sleep two in a bed and pull down the blinds. That is how scared he wanted to make the Canadian people. In my innocence, I thought we always slept two in a bed and always pulled down the blinds. That was a phony crisis.

What was the position of Her Majesty's Loyal Opposition during this period? One, consultation with the owners of these resources so they would work in co-operation for the national good. Two, to give a cushion to consumers so they would not be harmed by the rapid rise in oil and gas prices. Three, to work on a program of staging price increases that would be fair to consumers and to producers, and in harmony with the facts of economic life. Since all this staging and cushioning would be carried out as a subsidy from producing provinces, we asked that there be a *quid pro quo* for the producing producer. We asked the government to accept the fact that the provinces are now subsidizing us at the rate of $3 billion a year, and

we should see that they got something in return so they would not mind continuing the generosity.

All parties supported a one-price system, (*a*) to help individuals, and (*b*) to bring industry into this country because we can produce things more cheaply with our great reserves of energy. Finally, after a lot of pressure the government gave in: they held a conference of ministers in January and a conference of first ministers in March, 1974.

In this House all parties said, after the wild panic of the fall, that statesmanship had been restored to Canada. We congratulated everybody for being able, after consultation, to bring us together. However, within hours of that agreement the government introduced into this House the petroleum administration bill of last session, Bill C-18, which constituted a breach of the agreement that had been made. They broke their word to the ten governments within hours of having given it. That can be seen in the evidence given before the committee on energy, mines and resources.

In this parliament the government brought in a revised version of the petroleum administration bill: they included natural gas, which was not part of the agreement, and the oil sands, which was not part of the agreement. They broke another agreement made by the Minister of Finance, the Minister of Energy, Mines and Resources (Mr. Macdonald), and the Prime Minister (Mr. Trudeau) when they assured industry that if they would put a billion dollars into the tar sands the government would not impose price controls on this resource. This bill breaks this agreement of the two ministers and the Prime Minister.

As I read this petroleum administration bill I see there is no staging formula as promised in the agreement, and no terminal date. The government wants a permanent situation. There is no *quid pro quo* to show we are asking two provinces to subsidize every Canadian to the extent of $3 billion a year. Above all, there was no consultation. The government said, in effect, "If you do not agree, we will enforce it; we will put in our own agreement."

● (1430)

The budget of May 6, the parent of this one, added the *coup de grâce*. It said in effect, "Not only are we breaking the agreement we make with you, but we are going to break the constitution; we are going to say that the property to the people in the provinces, provincial resources, is no longer protected by the British North America Act," which states that resources belong to the provinces, and that one government cannot tax another government. The federal government said, "We shall breach sections 109 and 125 of the B.N.A. Act and declare that provincial royalties on all the resources in a province are non-deductible." The Minister of Justice (Mr. Lang) went on to refine that doctrine. In the election campaign he said, and I paraphrase, "We accept the fact that a royalty is the constitutional property of the people of a province, being their share of ownership, but it is only constitutional if it is a little royalty. If the royalty becomes really big, it is not constitutional."

As one of my hon. friends is quick to observe, this is like saying that a female can be partially pregnant or a little pregnant. In fact, it is all or nothing. I suggest that the war on the province which started on May 6 is now the issue which must be resolved, not only by this parliament but by the legislatures of every province in Canada as well as by the people of Canada generally. The budget of November 18 will be known as "the war on the provinces budget." Certainly, there are a few olive branches in it to industry and to the provincial governments. The government said, in effect,: "We'll reduce our share of the profits by two points and the provinces should do likewise." If the provinces match pro rata the two points which the federal government drops, the tax will have been lessened by four points. So if the provincial government is taking 60 per cent of the profits of an industry, and the federal government takes 30 per cent, adding up to 90 per cent, then on this new olive branch theory we shall be asking industry to put up with 84 per cent.

Anyone with any knowledge of the industry knows that people who put up billions of dollars to develop these resources are unlikely to be able to operate on the basis of 84 per cent if they cannot operate when 90 per cent of their profits are being taken away from them. However, I do not want to become too involved in the details of the subject because it leads us away from the main issue. The main issue is this: the federal government is determined to establish control over provincial resources; it is determined to establish a price control system on a permanent basis; it is determined to control the supply of all resources from beginning to end. I am not talking about oil alone; I am talking about every resource, including coal, hydro, asbestos and all the minerals within a province. This is open war on the provinces. Just 107 years after the constitution was written, the federal government declares its intention to control the supply and price of provincial resources, and I refer to every aspect of provincial resources, including land.

The second thing which is obvious about the budget is that the government is amending the constitution unilaterally. All the phony conferences which have been held over the years, asking for opinions, are to be disregarded. My hon. friend, the Leader of the Official Opposition (Mr. Stanfield), who is rarely moved to strong words, called this treachery and deceit. I endorse the language he used. It is a planned conspiracy to change the constitution and to centralize the control of resources by bureaucrats here in Ottawa.

I have been as patient as I can hope to be with the hon. member for Rosedale who holds the energy, mines and resources portfolio. I know how difficult it is to learn all the details of this involved industry. I thought in the beginning, when I was watching him two years ago, that I was just dealing with an amateur. Then I realized that in spite of all the hard work he has done to learn all the gobbledygook—in fact, he reminds me of a computer; you push the button and get the answer—and despite all the programmed answers he has been giving, he has been blundering around, rushing this way and that way. I can only describe him by recalling a situation I encountered as a young lad. A man was walking along the street with his head away out. The farmer I worked for commented: "Here's my head; my heels are coming." In the case of the minister it is, "Here's my mouth; my brains are coming."

I do not intend to go into this matter in detail, but the Prime Minister as this parliament unfolds, will be known

as the Bronfman boy. I will say no more than that. The Minister of Finance is no longer just the nice guy, regurgitating what has been fed to him; now he has demonstrated to us that he is like a willow tree that bends in the wind in order to stay in the cabinet. He knows enough about federal systems around the world to understand the need for constant consultation. When the powers of one jurisdiction conflict with those of another, or when they overlap, there must be consultation if the system is to survive. That is why I declare this budget to be a war on the provinces. It is out to destroy the constitution and to set up centralized power. The government is choosing the course of confrontation with the ten provinces rather than the traditional approach through consultation.

My mind goes back to the years of the government led by my right hon. friend from Prince Albert (Mr. Diefenbaker). I remember the then minister of labour, Michael Starr, when putting together a winter works program which was clearly outside the jurisdiction of the federal parliament, saying to the municipalities, "This is how we will help you. If you want us to help you, first you must get permission from your province." No province refused the municipalities. In this way thousands of people were employed during those years of unemployment.

I can recall the same minister's work in the field of education, which is entirely outside the jurisdiction of this parliament. He went to the provincial ministers of education setting out details of the manner in which he was ready to co-operate if permission was obtained from their provinces, and we were the first government which really helped in the educational field. Take the roads to resources program: the federal government has nothing to do with building roads in the provinces, yet those roads were built with provincial consent. The ARDA program affected an area almost entirely within provincial jurisdiction, but every province accepted it. I remember the hon. member for Brandon-Souris (Mr. Dinsdale), then minister of resources, setting up the machinery to bring an important consultative group into being; he was the minister who established the council of resource ministers, a technique for constant consultation.

I could go on and on, but I think I have made my point. All I can say is that the battle is joined. British Columbia, Alberta and Saskatchewan will be fighting. Soon, Ontario and Quebec will join them. Hon. members have read the words of an ex-minister of the Crown, Mr. Kierans.Even that great centralizer, Mr. Lynch, believes in consultation now. I know the provinces will unite. They have to unite. Instead of being a confrontation between one big boy and one or two little boys, it will be a contest between one big boy and a lot of others. Mr. Speaker, I am glad to have had the opportunity to make these comments. On another occasion I look forward to making some suggestions for dealing with this situation which I trust will be interesting to hon. members.

● (1440)

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, it gives me pleasure to take part in the budget debate, because until now very few speeches have dealt with the budget proper. I believe an attempt is made to divert attention by introducing the problem of federal-provincial relations on the resource issue. I believe the budget has been extremely well received, since it includes provision by the Minister of Finance (Mr. Turner) for the transfer to the taxpayer, under various forms, of almost $800 million to help increase its purchasing power and allow him to face the current situation.

I would like to say a few words in this resource debate, because it is apparently suggested the federal government wants to take over resources. It is a fact that resources are under provincial jurisdiction, and we are fully aware of and in total agreement with that fact. Interprovincial and international trade however is the responsibility of the federal government. The federal government acted to fulfill its responsibility to make sure the development of resources benefit all Canadians. If anyone suggests the Minister of Finance and this government will not negotiate I would invite him to read the budget speech. The Minister of Finance made provision in his budget, following representations by provinces, for a partial withdrawal on the propositions put forward in April. But I hope the provinces will also understand their responsibilities. We agree that the oil industry, because of present difficulties, needs some extra liquidities at this time to keep on with its exploration work. We therefore hope the provinces will do as much as does the federal government to accommodate the industry, and this in my opinion will solve the problem. Actually, the province of Alberta wants to try to take the opportunity provided by the Minister of Finance who stepped back to give more cash flow to the oil industry. Alberta would like to take one more bite in revenues from—

Mr. Lambert (Edmonton West): Who closed the door?

[*English*]

Mr. Gillies: The federal government has no constitutional right to be there in the first place.

Mr. Chrétien: We have constitutional rights in interprovincial and international affairs: that is clear from the constitution. At the federal-provincial conference we reached agreement with the premiers of the ten provinces to supply oil across the border. It is clear that the industry should also make some contribution to the coffers of the national government. What is happening at the moment is that the provinces are trying to obtain big settlements for their economies and isolate themselves from the federal tax collector so that they do not share in the responsibility of running this country.

Mr. Baker (Grenville-Carleton): That is a distortion.

Mr. Chrétien: If we, as the federal government, do not have the right to tax the resource industry, what industry do we have the right to tax? Tell me what is written in the constitution which says that the government shall tax one industry but not another?

Mr. Lambert (Edmonton West): You are taxing the royalties.

Mr. Chrétien: The royalties are royalties no more.

[*Translation*]

Mr. Deputy Speaker: Order, please. I regret to interrupt the minister, but I would remind hon. members that we are not in the proceedings of a committee of the whole.

[*English*]

We are not in committee of the whole, where we ask questions from one side of the Chamber to the other. The minister should be allowed to make his remarks without too much interference, and if time is available at the end, I am sure he will accept questions.

Mr. Chrétien: Mr. Speaker, I had a speech all ready, dealing with expenditures and so on, but I am a little fed up when the story is put that way and we do not tell the other side of the story to the people of Canada. It is the duty of this government to make sure there is equality in this land. If we were to tax Quebec in this way, I would make exactly the same speech that I am making today. Members of parliament have the right to discuss government business, but they should also make sure that the wealth of this nation belongs to everyone. I should like the hon. member from Ontario to rise and tell other members from Ontario that for years and years they paid a high price for oil and gas in order to protect the market for Alberta. But who speaks of that now?

Mr. Baker (Grenville-Carleton): That is another distortion.

Mr. Chrétien: I am very pleased to speak about this matter, but not as a Quebecker. I am speaking as a man. For four years the people of Kingston paid a lot of money for their oil in order to help Alberta develop its resources. Now, because the Arabs have increased their oil prices, these people would like to sock it to the people of Kingston. If the hon. lady does not want to defend the people of Kingston, I will defend them. This is why we have confederation. When times are tough in some parts of Canada, it is the responsibility of other parts of Canada to help. I resent this, and I would have the same resentment if Quebec had done the same thing. I should like Quebec and New Brunswick to be in the fortunate position of giving money to Saskatchewan or Alberta because of unforeseen new wealth.

Mr. Lambert (Edmonton West): You do not know anything about the oil industry.

Mr. Chrétien: I know everyone regards me as an easterner, but my grandparents on my mother's side lived in Alberta and I know that when times were tough for them they were very happy to have some help from the federal government in order to survive. I know that, not because I was told but because it is part of our family history. This is why we have confederation. I do not like hon. members not looking at both sides of the argument.

We see, in Canada, socialists in Saskatchewan trying to set up Crown corporations to isolate the resource industry from federal taxation. I do not accept that kind of socialism which does not spread wealth across the land. When hon. members rise in the House and talk about the poor, they should consider this particular aspect and then tell the government of Saskatchewan not to use this kind of scheme to hide profitable provincial industries from the tax collector of Canada.

I was not prepared to speak about this topic, Mr. Speaker, and the Minister of Finance (Mr. Turner) is well able to defend himself. He made a very good speech, and I am glad to see him back in the House. I am sure the government of Alberta will start to think things over. We have moved in the right direction. There were many meetings between the two levels of government, and the budget is a move in the right direction. In the tax field we have moved back to make some money available to industry; and if the government of Alberta wants to find the liquidity needed for industry in the province to expand, they should do likewise.

Mr. Lambert (Edmonton West): You took that away in May; don't forget that.

Mr. Chrétien: That is how I see the problem, and I always like to speak my mind. That is why I think I should give hon. members a break, because apparently when I speak my mind they get excited. I will take my text and just read it in the traditional way. I have always felt that this issue should not be only one-sided, and I hope members will understand that.

● (1450)

The last time I spoke at length about government expenditures was when the House was in committee of the whole considering the first supplementary estimates for this year. At that time I tried, in the briefest possible terms, to explain the content of government expenditures as they had developed and as reflected in the estimates presented to the House up to that time. That very day I was given some encouragement to believe that an understanding about the nature of government expenditures had begun to penetrate the understanding of a number of members opposite because the comments made were, in the main, constructive and sensible. Unfortunately, the comments of the hon. member for Peace River (Mr. Baldwin) were an exception. He proceeded to classify the total budget expenditure indiscriminately as a rip-off and spoke of expenditures as being out of control, playing again the same old theme he has played on so many occasions over the years.

However, my message must have done some good because I note that the Leader of the Opposition (Mr. Stanfield), in his remarks on the budget earlier this week, generally spared us the usual expressions of horror about government expenditures. The hon. member for Yorkton-Melville (Mr. Nystrom), when he followed and spoke on behalf of his party, was similarly restrained. I am not in the least accepting what they said about the subjects they raised, but at least we heard no easy generalizations about waste, extravagance and about cutting expenditures. Therefore, I am encouraged that the attempts I have made, and those of my predecessor in this ministry, to inform our colleagues opposite about the composition of government expenditures are beginning to be successful.

This morning I tabled a second set of supplementary estimates for the year. I want now to anticipate some of the questions that may arise, and to place the estimates figures in clear relationship with the figures used by the

Minister of Finance in his budget. This second set of supplementary estimates is very large—$1,749 million. They are larger than any previous supplementaries for one circumstances which also dominated the budget speech: this circumstance is, of course, inflation.

Almost three-quarters of the supplementaries, that is $1,200 million, are related in some way to inflationary pressures either in the way of new costs created by inflation or in the way of increased expenditures the government has decided upon to soften the impact of inflation for some groups of Canadians. These latter expenditures should be recognized as a continuation of the government's well established policy of selective countermeasures, where we see they are most called for, to deflect the full brunt of the very real distress that rapidly increasing prices can cause.

Let me give three or four examples. The government has doubled the provisions made for subsidies on manufacturing milk and cream from the $125 million in the main estimates. These supplementaries add another $125 million. In the same item in the estimates, which takes the form of a payment into the agricultural stabilization account, there is also included the money needed for the premium quality beef program which operated until August, 1974, and has now been replaced by a price stabilization program. There are $202 million in additional payments to the provinces under the Federal-Provincial Fiscal Arrangements Act attributable to increased tax yields in certain provinces, which are in turn attributable in great part to the effects of inflation.

There is an item of $118 million to compensate the railways for their having frozen the level of freight rates throughout this year. The additional contributions to the provinces under shared-cost programs affecting hospital insurance and university education total $125 million because hospitals and universities have higher costs to meet. We have no control over those costs; they just send us the bill.

I wonder, in passing, if hon. members opposite would stop their tirade about federal-provincial relations long enough to take note of the fact that much of the federal government's expenditure at this time, and at any time, is made up of payments to the provinces. They should stop to see how well this fact squares with their charges of centralization and betrayal. One might expect even an opposition at the federal level to adopt a more responsible line.

Another portion of the supplementaries is related to economic development and supply, such as $18 million more in capital subsidies for the construction of commercial and fishing vessels and $20 million for a loan toward the completion of the heavy water plant at Glace Bay. That is the plant started by the Leader of the Opposition when he was premier of the province, and he forgets that he put some salt in the water rather than using clear water. There was also $50 million in loans to the CNR, and $19 million for hydro projects in the north by the Northern Canada Power Commission. We have, as well, additional social measures including $30 million for Indian economic development and other needs of our Indian and Innuit population, and about $90 million related to the Local Initiatives Program for this and the past season.

[*Translation*]

Up till now, Mr. Speaker, government estimates total $24,516 million. In view of the usual difference in expenditures—indeed, experience has shown that about 2 per cent of all the credits are not used—I expect that real expenditures as concerns estimates submitted up till now will total about $23.9 billion.

The Minister of Finance set the total expenses to be incurred during this fiscal year at $24,850 million. Excluding serious unanticipated requirements, this means that we are once again expecting to submit supplementary estimates for expenditures of approximately $900 million. The largest item in these estimates will apply to oil import compensations which would be paid under the act yet to be passed by Parliament.

The Minister of Finance included a few tables in his speech of last Monday. One of these tables shows the budget expenditures for 1973-74, 1974-75 and 1975-76, that is the real expenditures for the first year, and of course expected expenditures for the other two. The figures and increased percentage from one year to the next are as follows: in 1973-74, budget expenditures amounted to $20,040 million, or an increase of 24.3 per cent over the previous year, increase which is mostly due to the new family allowances. In 1974-75, expected budget expenditures amount to $24,850 million, or an increase of 24 per cent over 1973-74. In 1975-76, Mr. Speaker, budget expenditures are expected to be $28,750 million, which means an increase of about 15 per cent over 1974-75.

In this respect, it is most important to understand that the increase is largely due to inflation and to one of the inflation related measures. I am talking about compensations for oil imports. This item alone will increase by $1 billion the expenditures of the current fiscal year over those of last year. This sum subtracted, there has been an increase of only 19 per cent between the real expenditures for 1973-74 and estimates for 1974-75.

I do not intend to keep at this at length, even though I have other notes. I just want to say in concluding that next year, we want to reduce new expenditure to a minimum. Of course, the expenditure will rise because 56 per cent of the budget is related to outlays which leave us no choice at all, such as the automatic indexation of old age security and family allowances, or equalization payments over which we have no control.

I can assure hon. members we are determined to contain the level of expenditure next year, as much as it will be possible so as not to further feed inflation and create a situation whereby government expenditures could cause additional problems for Canadians.

Mr. Speaker, I am glad I had this opportunity of making those few comments. I have not finished my speech because I should have liked to give an ad lib outline of my views on federal-provincial relations and the problem of provinces which make exaggerated claims on the new wealth discovered within their boundaries.

● (1500)

[*English*]

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, in considering the budget presented in the House

last Monday a time honoured phrase keeps coming to mind, *caveat emptor*. I say so, Mr. Speaker, for upon cursory examination the budget seems to be a rather impressive piece of work. It looks good. And, when presented by the Minister of Finance (Mr. Turner), with his customary style and aplomb, it sounds good. There is no doubt that it contains some worthwhile measures, but any member of parliament who has watched how this government operates cannot help but react with some concern, and caution the Canadian taxpayer to beware before buying without reservation the minister's fourth attempt at a budget.

Like the minister, I do not claim to be an economist and, like the minister, my instinctive reaction is to think of the constituents whom I am honoured to represent and to ask how this budget will affect the labourers of east Hamilton, the merchants in Ancaster, and the young couple in Stoney Creek who dream of owning their own home.

There seems little point in asking how this document will affect the farmers in Glanbrook and other parts of my riding because in this budget they seem to have been forgotten, left out in the Ottawa cold.

At the same time I share with other members of the House a responsibility to consider the impact the budget will have on Canadians everywhere, particularly upon Canadians who, like the people of Hamilton-Wentworth, still subscribe to the belief upon which this nation was founded and has prospered, who still believe that a man should get what he works for and that he should work for what he gets.

In considering this budget we must recognize that the foundations of our society have been shaken by a crippling wave of inflation. Indeed, we are now being made aware of the very real possibility of a serious recession. One might accept the design of this expansionary budget to prevent already high levels of unemployment from reaching disastrous proportions. However, if the government lays claim to virtues in combating unemployment, it must also accept the blame for contributing to it.

Thousands of jobs go begging in Hamilton today, including high paying jobs at the steel companies. Among the reasons are government policies which discourage incentive and make it more inviting for some simply not to work. The cost to Canadians of the Unemployment Insurance Commission remains at over $2 billion, yet this government still refuses to have an independent inquiry to clear up the mess and clear away the waste. One can only conclude that the government is indifferent to such waste, or it is afraid of an inquiry.

It would appear that the minister continues to embrace the outdated tradeoff between unemployment and inflation. Surely this simplistic concept has been discredited, and it is no longer reasonable to ask Canadians to accept higher and higher rates of inflation in another attempt by the minister to keep unemployment at levels the government considers tolerable.

In an economy as complex as ours it becomes imperative that the twin scourges of unemployment and inflation be attacked jointly and decisively. Anything less is an admission of the inability of the government to cope with the problems it was given a mandate to solve.

[Mr. O'Sullivan.]

We of the Progressive Conservative Party have long called for cuts in the tax bills of Canadians, made possible chiefly through a re-alignment of federal spending priorities and elimination of government waste. And so, while we welcome the minister's announcement of a cut, however small, in personal income tax, we view with alarm the fact that the federal government's budget continues to increase at alarming rates and itself feeds inflation.

Canadians are becoming even more concerned at the tremendous size and expense of government without experiencing any commensurate tangible benefits. In welcoming the small cut in taxes the Canadian taxpayer should not lose sight of the fact that what he is receiving is not a gift but just a bit more of the money he worked so hard to earn.

It is analagous to the Minister of Finance taking a $10 bill which has fallen from someone's pocket, then turning around and giving back $2—apparently out of the goodness of his heart. The poor luck fellow would think he had just met a very kind and generous man, until he discovered that he was missing his $10. Then he would realize he had just met Canada's finance minister.

Clearly these tax cuts could have been more meaningful if only the government would practice in its own spending the kind of restraint it asks of workers in setting wage demands, and of companies in setting their prices. One need only go through the spending estimates of almost every government department to find examples of duplication and waste. While there have been some very worthwhile projects, we still hear examples of thousands of tax dollars going to highly questionable LIP and OFY projects. One must not forget the Company of Young Canadians, even though the government would like to, Mr. Speaker. Recently we learned that External Affairs granted over $300,000 to a terrorist group in Africa. One wonders, in view of Canada's shameful abstention at the United Nations, whether similar aid will soon be granted to the murderous Palestinian Liberation Organization.

The government could also be more responsible in deciding where money should be spent. We recently heard the Minister of National Defence (Mr. Richardson) admit that our armed forces can no longer afford to patrol Canada's north to watch for Soviet incursion into our territory. The government continually downgrades our involvement in NATO, using budgetary restraints as an excuse. Canadians would not begrudge the careful use of their tax dollars to ensure the morale of our armed forces, to protect Canada's sovereignty, and to honour our commitments to international peace and freedom.

In this debate there has been much discussion about Canada's resources and Canada's future. I think we would all agree that, in terms of her future, Canada's greatest resource is the potential of young Canadians. If that resource is to be developed fully we must offer all young Canadians, regardless of their financial background, equality of opportunity to acquire an education and useful skills.

● (1510)

Although education falls within provincial jurisdiction, the federal government long ago recognized the need for it to assist in this important field. Since costs of vocational

schools, colleges and universities are increasing tremendously I would simply like to reiterate the words of another hon. member who sits in this chamber, and who said:

> I hope that some day we will move toward a gradual reduction and an eventual abolition of student fees at all levels . . . I am not suggesting that we should subsidize the small part of the population that may have the talent or initiative to obtain a university education. I hope that in the whole realm of technical and vocational education, as well as university education, we would move gradually toward the elimination of student fees.

I endorse those words which appear on pages 6616 and 6617 of *Hansard* for June 20, 1966, and were spoken by the then member for St. Lawrence-St. George. Today he sits in this House as the member for Ottawa-Carleton, and on the treasury benches as the Minister of Finance. Now that he is in a position to do so, I hope he will act upon his own worthwhile suggestion.

Mr. Gillies: Don't count on it!

Mr. O'Sullivan: Mr. Speaker, an area in which the minister has taken some positive action is with regard to the housing crisis. For several years my party has called for the elimination of the 11 per cent federal tax on building materials. The minister took a step in the right direction by reducing this tax, but as the hon. Leader of the Opposition (Mr. Stanfield) pointed out, the collection of a 5 per cent tax still requires as big a bureaucracy.

Additional bureaucrats will be required to administer the grants of $500 to each purchaser of a new home, so long as it is "moderately priced". In setting its standards of what constitutes moderate pricing, I would hope that the government will bear in mind the astronomical increases in housing costs in recent years, especially in southern Ontario, and I would suggest that the limit be set just slightly below the going rates to encourage developers to bring down the prices of their units to the acceptable level. Ultimately, however, I think we have to forgo such patchwork measures in favour of a wholesale review of housing financing.

As pointed out by Dr. James Johnston, an economist and publisher of the Cobourg *Sentinel-Star*, it is simply no longer fair to ask potential homeowners to compete for loanable funds from the same sources as giant corporations, which can meet high interest rates and even charge them against taxes. In finding a way truly to assist Canadian families in housing, we can start on the road to the desirable situation of having double income families by choice and not out of sheer economic necessity.

To this point, Mr. Speaker, my remarks have dealt with a few of the technical aspects of government economic policy. It has become a tradition to look upon a budget as some kind of a periodic report of revenue and expenditure of government. I strongly feel it should go beyond that and truly be a statement of social purpose as well.

That is why the highlight of this budget, for me, was the recognition by the Minister of Finance of Canada's obligation to do everything possible to combat the world food crisis. My concerns about this terrible and continuing tragedy were outlined when I spoke earlier this week in the debate on Bill C-10. So, at this time I simply wish to commend the minister, in a very sincere and non-partisan way, for reflecting the feelings of all of us and for undertaking a commitment to our brothers and sisters in mankind who look to us for help.

May that statement by the minister also start a tradition of making the budget a commentary on the social, as well as the financial policies of a government. We cannot separate productivity from the question of our qualify of life. We should not talk of consumption without speaking of conservation. We must not set out to create jobs without first deciding conditions of work.

We must recognize that the facts and figures side of a budget is not all that an economy is, or all that it should be. And one must remember that the gross national product measures neither our wisdom nor our courage, neither our integrity nor our compassion. So, Mr. Speaker, a budget should say more, not just about our national productivity but also about our national spirit.

I commend the Minister of Finance for the positive efforts contained in his budget. I hope he will accept my comments in the spirit with which they are offered, for although we have our differences about some of the budget provisions and other government policies, I believe he is doing his best at a most difficult time. For the sake of the people we all seek to serve, I wish him well.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Madam Speaker, if I had the time I should like to discuss several aspects of this budget, which I consider is designed to help those who have too little by giving tax concessions to those who have too much.

Since I only have a limited time, however, I propose to devote myself primarily to that portion of the budget which deals with resource taxation, the repercussions of which could cause great disunity in this country. I discuss this question as one who, throughout his political life, has been a firm advocate of a strong federal government. I would go further. The New Democratic Party has consistently supported the concept of a strong federal government clothed with the power necessary to deal effectively with social and economic problems. For instance, the New Democratic Party advocated and supported a two price system for oil, and a single price across Canada, in order to protect the Canadian people against the 400 per cent increase in international oil prices.

The New Democratic Party has supported Bill C-32 which is still before the committee of the whole of this House and which will become the Petroleum Administration Act. If this bill is passed it will provide that, in the event negotiations are not successful with the provinces, the government may establish a price in Canada for all oil and gas entering into interprovincial and international trade. On November 13 and 14 I argued in this House that the federal government must have that power if we are going to deal with the problem of energy supplies in this country. I must say, however, that the budget may cause us to re-examine our position if the federal government intends to use its powers in the ruthless manner which it is now displaying.

Canada needs a strong federal government in order to cope with the many problems of this country, and nowhere is this more necessary than in the field of energy where we are faced with a crisis in the years immediately ahead.

But we contend that the powers granted to the federal government should not be used to trample upon the legitimate rights of provincial governments, nor should those governments be tricked into agreements which are later repudiated.

● (1520)

I think the provincial governments acted in a statesmanlike manner at the First Ministers Conference which was held in Ottawa on March 27 last. On March 28 the Prime Minister (Mr. Trudeau) paid tribute to the provincial premiers in the following terms, as recorded at page 933 of *Hansard*. He said that we had reached:

> ... An agreement ... which stands as a tribute to the vitality of our Canadian community ... yesterday was a great day for federalism.

The Prime Minister went on to say, as recorded at page 934 of *Hansard*:

> The national oil agreement I have just described would surely not have been possible without the good will and deep commitment to Canada of the premiers of Alberta and Saskatchewan.

I submit, Madam Speaker, that these tributes were well deserved.

What did the oil and gas producing provinces agree to do? They agreed to accept a price of $6.50 per barrel, when the Chicago price at that time was between $10 and $11 per barrel, and now it is much higher. Every barrel of oil sold in Alberta and Saskatchewan is being sold for $5 less than could be secured on the Chicago market, plus transportation. In other words, the provinces gave up over $2 billion. I am one who supported what they did. Considering the type of national emergency we faced then and which we still face, a price must be set to protect the Canadian people from exorbitant international oil prices. The provincial premiers agreed to this.

Further, they agreed to forgo the 50 per cent share of revenue from the export tax which they had received up until then. On the basis of the production of 1,200,000 barrels a day during the last 12 months, one can say that Alberta and Saskatchewan gave up some $800 million or $900 million from this source. Those were great concessions, and the Prime Minister was right in saying they were made possible only with the good will and deep commitment of the provincial governments concerned.

In return the Prime Minister committed the federal government first, to a just and reasonable price for this depleting resource; second, to assist the provinces in developing new oil resources; and, third, to help those provinces ensure alternative economic development. In order to carry out the commitment to assist the provinces in developing new oil resources the Prime Minister agreed, and so reported to this House, that the federal government would allow the oil producing provinces to set up capital funds for resource development, into which they could put their additional oil revenues, and that those funds would not be taken into consideration in determining equalization payments.

Let me put the Prime Minister's words on record. They are crystal clear. He said, as recorded at page 934 of *Hansard* for March 28:

> The House may wish to note that Saskatchewan intends to place most of its added oil revenues in a capital fund for energy development; Alberta proposes to handle a high proportion of its added revenues in the same manner ...
>
> While the revenues taken into those capital funds would not be subject to equalization, the federal government will, of course, pay equalization respecting any oil revenues that go into general funds.

That was the commitment. Nobody expected that revenues which went into the general account would not be taken into consideration in determining equalization payments. But there was the clear understanding that if a province chose to set up a contingency fund, a depreciation account to enable it to replace a resource which is depleting far more rapidly than most people realize, that fund would not be taken into account when the equalization formula is computed.

What happened, Madam Speaker? In the budget the Minister of Finance (Mr. Turner) says that one third of the additional oil revenues of those two provinces combined will be considered as revenues for equalization purposes. He is to do this by estimating the total amount which will be going into general revenue. But that is not in accordance with what the Prime Minister said on March 28, as I have quoted. He said that Saskatchewan proposes to put most of its revenue into the capital account. There was no mention then of lumping both provinces together, and there was no mention of roughly one third of the total amount which comes from additional oil revenue going into general revenue because Alberta proposes to put a larger amount into general revenue. Actually, Saskatchewan has carried out its part of the understanding to the letter. It has placed all its additional oil revenue, every nickel, into a capital account for resource development, because it needs millions of dollars if it is to develop heavy oil in the Cold Lake district.

The government is breaking its commitment. It is saying to Saskatchewan, "You will be lumped together with Alberta. We estimate that roughly one third of the total additional oil revenue of both provinces is going to general revenue and therefore you will lose, under the equalization formula, $40 million a year."

I submit that either the Prime Minister misled the provinces and the House when he reported to us on March 28, or the Minister of Finance has overruled the Prime Minister. The heir apparent is now telling the king what to do. This reminds me of what Shakespeare said:

> Upon what meat doth this our Caesar feed,
>
> That he is grown so great?

The provinces justifiably feel they have been tricked and betrayed. I submit, Madam Speaker, that this will not encourage federal-provincial cooperation. The west will feel that it is paying a heavy price for the majority it enabled the Liberal government to acquire in the last election.

Mr. Lambert (Edmonton West): The west does not provide the government's majority.

Mr. Douglas (Nanaimo-Cowichan-The Islands): But it sent back enough members to enable the government to have its majority. The old arrogance is back. We can live with that. But welching on a solemn commitment is something which the Canadian people, including many Liberal supporters, will not condone.

Further, the government has shown its appreciation to the provincial governments for their cooperation by declaring that oil, gas and mineral royalties will not be deductible for income tax purposes by the producers of these commodities. For the first time in the history of Canada the federal government has said that royalties paid to a provincial government shall no longer be deductible for income tax purposes. This is utterly absurd. Why, Madam Speaker? First, royalties paid on freehold, say by the Canadian Pacific Railway or the Hudson's Bay Company, will be deductible, but royalties paid to a provincial government will not. I know of Canadian companies which own properties in other countries. The royalties they pay to foreign governments will be deductible, but royalties paid to a provincial government in Canada will not be, Madam Speaker.

● (1530)

If Imperial Oil Company spends $10 million in an advertising campaign to increase the consumption of gasoline, which we ought to be conserving, it can deduct that. However, if it pays $10 million in royalties to the oil producing provinces, that is not deductible. The argument made by the Minister of Finance, and made again this afternoon by the President of the Treasury Board (Mr. Chrétien), is that the government wants to share its resource revenues with all the people of Canada.

May I first point out that the federal government has other ways of taxing oil and gas companies. It could, if it wanted, impose an excess profits tax. On the contrary, it has reduced the tax rate and exempted the oil and gas companies from the 10 per cent surcharge. It could reduce the depreciation and depletion allowances. Instead, it has given them 100 per cent write-off for exploration and 30 per cent for development.

The sharing of oil revenues in all parts of Canada and treating everybody equally, is something which ought to be examined. I noticed a press release issued by Premier Blakeney of Saskatchewan the day before yesterday. May I quote a small part of it:

> If Saskatchewan levies a royalty of $1 a barrel on Imperial Oil, we receive $1. However, for every $1 of provincial income tax paid by Imperial Oil, Saskatchewan's share is less than four cents. Imperial Oil is a large company, operating across Canada, and its provincial taxes are divided among the provinces according to a formula based on its wages and sales in each province—not its oil production.
>
> So, for every dollar of provincial tax paid by Imperial Oil, Ontario gets about 30 cents, even British Columbia gets more than six cents. And Saskatchewan gets less than four cents.

When the government talks about everybody sharing equally in the taxes from the resource industry, it seems that the tax structure which the government has built should be subject to re-examination. Moreover, Madam Speaker, are these royalties which are declared non-deductible on non-renewable resources to apply eventually to renewable resources? On November 20 I asked the Minister of Finance a question with regard to royalties and stumpage duties. As recorded at page 1488 of *Hansard*, the minister answered in part:

> If, of course, stumpage dues were to be converted from a flat, classical type of royalty payment into a disguised tax, we would need to look at that as well.

When is a royalty not a royalty? Answer: when the Minister of Finance says it is not a royalty. The Minister of Finance does not stop there in his bull in the china shop display of how not to get along with the provincial governments. In motion No. 9 of the ways and means resolutions we have a measure which will have the effect of either dismantling every provincial resource marketing agency or bankrupting the oil and gas companies operating in the provinces. British Columbia, Alberta and Saskatchewan all have natural gas marketing agencies. Alberta has one handling methane and propane. The province of Saskatchewan has one handling petroleum. Let me give an example.

In the province of Saskatchewan, starting back 20 years ago, Saskatchewan Power Corporation was given authority not only to handle the production and distribution of electrical power, but also the transmission and retailing of natural gas. It buys gas from a producer at 16 cents per thousand cubic feet. It is sold to the people of Saskatchewan at no profit, as close to cost as possible.

Under the provisions of the No. 9 ways and means motion the government will have the right to say that the fair market value of that gas is not 16 cents, but 60 cents. The gas producing company will be required to pay its tax on the basis of having received 60 cents, or whatever other figure the government decides is fair market value, and not on the amount which it actually receives. In other words, what the Minister of Finance is seeking to do is to say that a provincial government cannot use a Crown corporation or marketing agency to give the people of that province the benefit of their resources at the lowest possible price. That is surely an infringement on the right of the provincial government.

The other day the Leader of the Opposition (Mr. Stanfield) said that this measure could force the provincial governments into nationalizing some of their industries. The NDP would certainly welcome that.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): However, the Minister of Finance has already prepared a tactic to deal with that situation. Last Monday night at a press conference he said, and I quote:

> Any province for its own ideological reasons that seeks to use this budget to nationalize industry and thereby capture revenues for themselves should think about it carefully, because then the federal Government will have to consider taxing Crown corporations.

The Acting Speaker (Mrs. Morin): Order, please. The time allotted to the hon. member has expired.

Mr. Douglas (Nanaimo-Cowichan-The Islands): If I could have two minutes, Madam Speaker, I could finish this point.

The Acting Speaker (Mrs. Morin): Is this agreed?

Some hon. Members: Agreed.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Madam Speaker, the Minister of Finance is saying that if a provincial government, with the consent and support of the citizens of that province, wants to set up a Crown corporation so that the benefits of developing its resources

will go to the people rather than to the private sector, then the Minister of Finance and the federal government will, if they think it right, tax that Crown corporation. Does the minister propose to tax Ontario Hydro, Quebec Hydro and the government telephone companies of Manitoba, Saskatchewan and Alberta? These are the things that come to the fore.

In conclusion there is to be a meeting of the Minister of Finance and the provincial treasurers on December 9 and 10. I suggest to the government that this House not deal with Bill C-32, and with the bills arising out of the ways and means resolutions, until that meeting has taken place. Until the federal government and the provincial governments have had a chance to discuss this, and until the Minister of Finance has had an opportunity to be informed as to what the effects of this budget will be, we ought not to be asked to deal with that legislation. This is a vital matter.

This Liberal government, which for decades has paraded itself as being the party that can bring national unity to our country, is taking steps at the present time that will cause more disunity than I have seen since coming to this House some 39 years ago.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): Madam Speaker, it is a pleasure for me to be taking part in this debate. It is a particular privilege to follow the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) who, as he said, has 39 years experience in this House as well as in the parliament of Saskatchewan. His contribution not only to Saskatchewan but to this country is well known to all Canadians.

Some hon. Members: Hear, hear!

Mr. McIsaac: It is with a great deal of pride and humility that I make my first formal contribution to this debate. I wish to take advantage of the latitude normally accorded in the budget debate to discuss some of the aspirations, feelings and concerns of the people of my constituency, Battleford-Kindersley. I want to discuss some of their areas of concern and tell hon. members something about the nature of my constituency.

● (1540)

It is a large area in total acreage, primarily agricultural, and varying from good grain land in the southern part to grain land, grass land and excellent cattle country in the northern part of the constituency. Surprisingly enough, over half of my constituents live not on the farms but in urban centres such as North Battleford, and Battleford where 15,000 people live, Battleford, the City of Lloydminster and some of the best towns in the west, like Unity, Rosetown, Kindersley, Wilkie, Kerrobert and Macklin.

During the course of the July 8 election campaign, along with my opponents and, I am sure, most other members on both sides of this chamber, I knocked on hundreds of doors and spoke with hundreds of people. I have been active in campaigns before, Madam Speaker, but this one was different. I want to tell you in what way it was different. First, regardless of their previous voting habits, people in my part of Saskatchewan did not want an election. They saw no need to be going into an election campaign. They had just come through a tough, long winter and it had been a wet, late spring; farm work was weeks behind. To a large extent they blamed members of the New Democratic Party, and to a lesser degree members of the Conservative Party for bringing on an election.

I would point out, though, that while they did not want an election, people were happy to speak to me as a candidate—I am sure this applied to any other candidate who knocked on their doors. I have never had a better personal response regardless of how people voted in the past. I make this point in order to demonstrate the genuine interest and concern with regard to federal issues of Canadians in my province.

They are concerned about agricultural programs and policies which may, perhaps, affect them more directly than others. They are concerned about industrial development in Saskatchewan. They are concerned about such matters as local processing of agricultural products instead of this work being done at either end of the country or somewhere in between. They are concerned about the rising cost of farming, the rising costs of doing business generally, and they are concerned about the difficulty of getting manpower, whether to help on the farm or to help in the operation of a small service station. They are annoyed to think that some individuals can, and do, quit their jobs and draw unemployment insurance benefits while farmers and small business operators work double shifts to keep their operations going.

Saskatchewan people believe in working hard. They are not enthused with programs and policies which result in people being able to get along adequately by working only when they wish, or by working very little. Like most other Canadians my constituents believe that governments, both federal and provincial, are spending too much money. Mind you, at the same time when it comes to any cutbacks they believe, as do most Canadians, that such cuts should be made somewhere else. But inflation was and continues to be the cause of deep concern to my constituents.

The phrase "western alienation" has been bandied about in western Canada, in Saskatchewan and, indeed, in this chamber during recent years. The cause of western alienation is not easy to define. Indeed the definition of the phrase varies depending on the person to whom one is speaking. It means different things to different people. In some ways it is the east versus the west theme which we have been hearing for years. Ottawa is a long way from Battleford, Kindersley and Meadow Lake, and those places are further still from Montreal and Quebec City. This in itself is part of the problem—the geography of Canada itself. I mention these concerns felt by my constituents, I mention the reactions of voters in the campaign, and I mention this feeling of western alienation in order to give some picture of the thinking of my constituents before I discuss the resource taxation measures proposed in the budget.

This week we are hearing loud screams of agony from Mr. Blakeney, leader of the NDP government in Saskatchewan. On Wednesday we heard the Leader of the Official Opposition (Mr. Stanfield) criticize the budget in this House on the ground that it threatens confederation. Well, I have an oil industry in my constituency. There is a very considerable potash industry in Saskatchewan. Though

there are no potash mines in Battleford-Kindersley, the first mine to be sunk in Saskatchewan was sunk outside Unity; it never reached the potash but the know-how gained in the course of that operation led to the success of half a dozen other mines in the province. So resources and resource taxation are important to me and to my constituents.

I believe the provinces have every right to royalties from the resource industries. On the other hand I disagree with the concept now being advanced by provinces such as Alberta and Saskatchewan under which the term "royalty" includes not only rental rates in respect of resources but every cent of the profits of resource industries. The hon. member who spoke before me referred to Saskatchewan and the stand it had taken.

Let us consider the attitude adopted by Mr. Blakeney and the NDP government of Saskatchewan. What have they done to encourage resource development in the province? Last year they introduced Bill 42 in the Saskatchewan legislature, a measure which enables the provincial government to take 100 per cent of the selling price of a barrel of oil over and above the figure of $3.60, I think it was.

Mr. Broadbent: Hear, hear!

Mr. McIsaac: The NDP members opposite applaud.

Mr. Broadbent: Additional profit.

Mr. McIsaac: There were other measures passed which amounted to complete confiscation of the mineral rights of the province.

Mr. Broadbent: Rubbish!

Mr. McIsaac: It is not rubbish. If the temporary leader of the NDP would go to Saskatchewan he would find out for himself. That Bill No. 42 effectively killed any further development of oil, gas or potash resources in Saskatchewan. Here is the proof. In January, 1974, 17 permits were issued to drill oil wells in Saskatchewan. A year earlier, in January, 1973, 86 permits were issued. Bill 42 killed exploration in Saskatchewan long before the budget of May 6, and even longer before the budget of November 18. The NDP government in Saskatchewan made similar moves affecting the forest industry and the potash industry. The potash industry is the latest to be affected.

The most recent action taken by the provincial government effectively ended any possible hope of companies getting other than a nominal return, as decided by the NDP government, on their investment. New taxes of $87 million are projected for 1975.

● (1550)

But Mr. Blakeney says he still wants the 46 per cent of the money he is now spending that comes from Ottawa. Keep that coming—he wants that too. Of the $1 billion that the province budgeted for last year, over $400,000 came direct from the federal treasury. Mr. Blakeney says "Don't touch that. We still like those large equalization grants". Incidentally, in the last number of years, through federal-provincial negotiations and conferences, the equalization grant payable to Saskatchewan has grown from about $10 million in 1968 to almost $150 million last year, due to revisions of the formula and developments arising from these conferences. They still demand their share of medicare and education grants, and they still take the additional federal money added to equalization a couple of years ago for school board spending in the province of Saskatchewan and seven other provinces.

So I ask hon. members opposite who have been crying about this budget threatening confederation, who is threatening the resource industry? Who is being greedy and taking high handed actions which are killing further exploration and development? I cannot accuse the province of Alberta entirely because they did not take 100 per cent of the profit, only 65 per cent. But who changed the rules in resource industry taxation? Who made the first move? Not this government.

Mr. Baker (Grenville-Carleton): You had to throw the second stone, did you?

Mr. McIsaac: Who is threatening confederation? Who is bleeding the resource industries dry in the province of Saskatchewan? Again I say it is not the federal government.

I am not happy with the situation in which the resource industries find themselves—far from it, Madam Speaker. I have communities like Lloydminster, Coleville and Kindersley that are dependent upon a healthy oil industry. Neither am I happy with the combination of moves by both the federal and provincial governments which are resulting in shutdowns of a number of wells in that particular area. I have made representations to the Minister of Energy, Mines and Resources (Mr. Macdonald) to seek a better break on the export tax on Lloydminster heavy crude, which is not exactly a choice grade of crude, and I hope that this particular issue can be resolved so that oil continues to be in production and jobs in the industry in my part of the country are filled.

I may say also, Madam Speaker, that there is a definite feeling in western Canada, and certainly in my part of Saskatchewan, that the western provinces can stand some increases in revenue for the next one or two years or so, in short, some "catch-up" time if you like, to make up for some of the slack years of the past. Therefore, I urge the federal ministers responsible for energy, mines and resources and finance to keep this thought in mind as they deal with the rapidly changing issues of energy and resources today.

I spoke earlier of some of the feelings of my constituents. They want their fair share of the good things of this country, and they do not want more than their fair share. But they consider a fair share to be something more than they have been getting during the first 100 odd years of confederation. Above all, I want to say they are still Canadians first and foremost. They want one strong Canada, not ten strong states, with a weak central government.

In this respect I regret very much the narrow tone of the remarks made yesterday in this debate by the hon. member for Athabasca (Mr. Yewchuk). I think any member opposite who speaks as he did is doing his province and his country a disservice in this regard. He contributes not to Canadian unity and understanding, but

instead to disunity and misunderstanding. I think there is plenty of room for honest differences of political opinion between provinces and parties, but these need not result in continuing this divisive approach of the Tories and the parochial approach of the NDP.

I think the budget represents a fair compromise by the federal government on the proposals on resource revenue put forward on May 6—the tax abatement, the 100 per cent write-off for exploration costs—

Mr. Lambert (Edmonton West): That was not in the May budget.

Mr. McIsaac: No, it was not, and that is what I am saying. This present budget is an improvement. The next move is up to the provinces. How far will the provinces go in pushing their demands, even at the expense of changing confederation? Which industries are next? I suspect that the NDP government of Saskatchewan will move in and take over windfall profits of farmers next. That would be a very logical move for that province to make. If the governments of the provinces continue in this direction, they will very definitely change confederation and weaken the national government in this country in so doing. I am concerned to see that the Minister of Finance and the Minister of Energy, Mines and Resources continue negotiations and, indeed, if need be enter into further trade-offs to maintain national unity

In conclusion, Madam Speaker, this budget had the general approval of the electorate on July 8. The tax relief measures for middle and low income Canadians were approved by Canadians on July 8. One of the provisions which was very popular during the election campaign was the exclusion of the first $1,000 of interest from income tax, and many other provisions in that budget received the approval of the people at that time. I am glad to see those measures brought back with the budget, and indeed other measures that will result in tax breaks for the average Canadian citizen. When one looks at this budget and the changes in direction it has taken since the May 6 presentation, it clearly demonstrates how responsive is this government to changing circumstances.

Mr. Tom Cossitt (Leeds): Madam Speaker, two of the really major problems facing Canada today are the state of the economy and national unity. The inflation that grips our economy resembles a ticking time bomb destined to destroy us because of an almost complete lack of government action in recent years. The state of our national unity is also like a ticking time bomb destined to destroy us because of continued wrong and foolish government actions.

In its six years in office the government has given us little in the war on inflation other than higher prices, and it has given us little in the field of national unity other than sewing the seeds of national disunity. The government is insidiously undermining our unity, and the truth of what is going on has never really been clearly and forthrightly spelled out to the Canadian people. Many have undoubtedly remained silent because of the possibility of being smeared with the bigot label, something generously and quickly bestowed by this government on all who remotely question its actions in regard to national unity,

and more particularly in regard to the methods being used to institute bilingualism.

Five years ago parliament passed the Official Languages Act. Since then the government has ruthlessly stamped on the hopes of many who originally supported its spirit and its general principles. A systematic attempt has been made to institute bilingualism, outwardly in the name of national unity but inwardly by methods of implementation that will surely destroy national unity, if continued much longer. The truth is that the public service of this country has become riddled with fear—fear of the heavy arm of discrimination being used by the government in hiring, in promoting, and in its over-all general approach towards bilingualism.

Like a number of others in this House, I have heard from many concerned public servants. It is all too obvious that the merit principle has become something to be bent and twisted, not only for the promotion of the Prime Minister's close friends to high places but also to fit in with the government's discriminatory approach to bilingualism.

● (1600)

In recent months we have seen the hypocrisy of the Prime Minister (Mr. Trudeau). As he supposedly with sincerity asks nine provinces to accept bilingualism, he stands in peculiar idleness and near silence as Quebec legislates in favour of unilingualism. His government refuses to disallow Quebec's Bill 22, and it refuses to refer it to the Supreme Court of Canada for judicial opinion as to its constitutionality, despite the fact that constitutional authorities like Liberal Senator Eugene Forsey have expressed their grave misgivings.

The Prime Minister's attitude toward Bill 22 reveals in all its naked ugliness the gross insincerity, the unadulterated hypocrisy and the complete and utter fraud that make up the substance of the government's very disastrous approach to bilingualism.

Canadians might well ask with justification, "How idle or silent would our Prime Minister have remained if any other province had introduced and passed legislation making English its only official language?" Without a doubt he would have, and rightly so, reacted swiftly. We would have heard high sounding phrases about minority rights and his extreme dedication toward the protection of such rights.

But the Prime Minister's reaction to Quebec's Bill 22 clearly shows that when he speaks of the rights of minorities, it all depends on which minority needs protection. By his own actions the Prime Minister has reduced his high sounding advocacy of bilingualism to the indecent level of cheap and sanctimonious twaddle.

If the province of Ontario passed legislation interfering with the rights of its French-speaking minority, the rights of those inhabitants of eastern or northern Ontario whose mother tongue is French, I am certain all of us in this House would angrily rise up to stop such injustice, and we would not be called or considered bigots. But when the province of Quebec passes legislation interfering with the rights of its English-speaking minority there is an almost unbroken, pitiful silence in this Chamber, orchestrated by

the Prime Minister, and the script includes the bigot label for those who dare speak out against that silence.

Without any doubt, the real bigots in Canada today are those who sit in the front benches of this government; the Prime Minister and those who follow him blindly, apparently willing politically to manipulate this country on the basis of race and language for some questionable and peculiar purposes.

An hon. Member: It is not very questionable.

Mr. Cossitt: This government, whose leader has spoken often and righteously of the need for national unity, is in reality moving along a most dangerous path that leads inevitably to the destruction of national unity, a path which the Prime Minister's predecessors from Quebec, those great men Sir Wilfrid Laurier and Louis St. Laurent, would never have followed, and a path I am certain is unacceptable to the great majority of Canadians, including those living in the province of Quebec.

In the midst of this stands that dithering dilettante, Commissioner of Official Languages, Keith Spicer, in theory a servant of parliament but in practice a tool of this government. He has consistently displayed a one-sided approach to the implementation of bilingualism, flitting about the country snickering and giggling his way from soirée to soirée, coining ridiculous phrases like "Westmount Rhodesians".

Two incidents instigated by Spicer and his office in my area of Ontario serve as examples of the reprehensible methods used by this government and its supporters in implementing bilingualism. The first occurred at Prescott, Ontario, when Spicer sent one of his investigators over the International Bridge to the United States with instructions to return immediately to Canada posing as a French-speaking tourist coming home from a trip with a half empty bottle of wine in his car.

This sneaky individual with his phony story was apparently attempting to trap unilingual Canada Customs officers into errors that would incriminate them in the guise of supposedly conducting an investigation of the port's bilingual facility. This member of Spicer's staff, or perhaps I should say Spicer's gestapo, even stole a scratch pad from the office counter when the customs officers were not looking. He brought it back to Ottawa and gave it to Spicer. In due course Spicer complained to the Collector of Customs that the scratch pads being used by his staff were not bilingual.

Aside from its comic Dick Tracy aspects, this incident has a serious side. It illustrates the lengths this government is prepared to go in undermining public service morale by spying on conscientious employees, sneaking around in disreputable fashion attempting to create trouble for those who are unilingual, and all this disgraceful behaviour carried out in the name of national unity, and in the name of fairly implementing bilingualism.

This summer, just a month or two ago, at the Thousand Island Bridge at Lansdowne, Ontario, in my constituency, Guy Robitaille, Spicer's chief assistant, arrived at the border from the United States at one o'clock in the morning. Speaking perfect English he demanded to be spoken to in the French language. There was no officer on duty at that time who spoke French. Immediately he proceeded to raise a fuss and insisted that a bilingual Canada Customs officer who lived 10 miles away from the port of entry be called out of bed at one o'clock in the morning and forced to dress and drive back to work to answer questions that he had already asked in English.

Just how much is it costing taxpayers to finance these nonsensical methods of implementing bilingualism? How much is being spent on salaries to those who run around on orders from Keith Spicer playing funny little games with half empty bottles of wine? How much is being spent on language courses, not just for public servants, but for the wives of senior officials, one of whom was quoted in the press not so very long ago as saying she is learning French at government expense in order to get on better at cocktail parties?

I suggest, Madam Speaker, that the implementation of bilingualism should have a thorough examination by a committee of this House. The methods of implementation being used are staggering in cost, and it is shameful that so far they have managed to escape careful scrutiny.

If ever there was anything that clearly illustrates the need for careful scrutiny it is the statement made on the implementation of bilingualism by the President of the Treasury Board (Mr. Chrétien) yesterday. The minister released a lot of figures but not one of those figures was the estimated total cost, and it is really not hard to understand why. It is because the estimated cost of what this government plans, added to the cost of what it has already done, is so high that the Canadian people in outrage would demand an investigation if they were given such information.

A year ago the government estimated 20,000 positions in the public service would be designated bilingual. Now the minister admits that the total has reached 53,600, and that is only so far. What will it be a year from today, and what will it be two years from now?

The minister says a further 19,000, mostly Anglophone public servants, will be required to learn a second language, but for the sake of the government's skin he wisely does not say how much the schools and teachers will cost Canadians. Without doubt, the wastage of public funds runs into the millions of dollars.

We are told those age 60 and over will not be required to become bilingual. Why age 60, which in reality is the retirement age for many? Why not age 50, or for that matter why at any age in certain specific cases? Again I think of my own constituency where several years ago this government dragooned Canada Customs officers into French language courses, only to find that they soon forgot what they learned because their jobs furnished no necessity for using a second language. The taxpayers, of course, in the meantime footed the unknown bill and, magnified all across the country, we can imagine how much it has cost.

This government has turned the implementation of bilingualism into a sacred cow, supposedly on a pedestal above the right of democratic criticism, an expensive sacred cow costing Canadian taxpayers millions of dollars a year. Why should it not be examined and why should it not be criticized? Why should there be anything wrong

with pointing out gross errors and ulterior motives of this government in handling the implementation of bilingualism? Most important of all, why should one hesitate to speak out against a government whose policies are so potentially damaging and ruinous to the future of Canada?

● (1610)

This leads me to what I think is a very peculiar situation. When persons in French-speaking Canada rightfully and proudly point to their culture and to their heritage, when they call for preservation of their traditions, this is viewed in the eyes of those who control the government as "standing up for their rights". But when persons in English-speaking Canada rightfully and proudly point to their cultures and their heritages, and call for the preservation of their traditions, in the eyes of the government this is apparently "bigotry". What kind of nonsense is this?

Mr. Drury: I challenge that.

Mr. Cossitt: The minister says that he challenges it. The information he has given, and the information his successor now gives, lead me not to have much faith in what he says. What kind of nonsense is it? For what purposes does this government attempt to con all those Canadians whose ancestry is British, German, Dutch, American, Italian, or whatever, into believing that they are bigots and persons against national unity if they so much as utter a peep in support of the contributions made by their backgrounds and traditions to the development of Canada?

I often wonder if the Prime Minister realizes that he would not be sitting in this Canadian House of Commons if it were not for the fact that there was previously a British House of Commons that made all this possible. Perhaps the attitude of the Prime Minister on this subject is accounted for by his obvious disdain and impatience for parliament and the democratic process.

Since this government assumed office there has been a steady attempt to erode our democratic processes and to downgrade and ultimately destroy many traditions on which the institutions of this country are founded.

One needs only to remember that the Prime Minister once declared that members of the opposition were a "bunch of nobodies". What a demonstration of appreciation that was for the democratic process! One needs only to remember that the Prime Minister once told a group of working people outside this building to go and eat dung when all they were doing was exercising their democratic right to protest. What an understanding he displayed of our traditional freedom to dissent!

One needs only to remember that supreme act of hypocrisy after the government's near defeat in 1972 when the Prime Minister, who had long turned his back on the British connection, suddenly in desperation rushed off to London for tea at Buckingham Palace in an attempt to save his political skin.

For years this government has neglected our NATO friends while the Prime Minister did such things as tiptoe through the Orient to sit at the feet of Chairman Mao. Today this government still neglects our friends in Europe, despite the attempt to make it look otherwise by the Prime Minister's recent unimpressive and not very successful afterthought visit to Brussels.

Not long ago Ivan Head, that strange ogre of the Prime Minister's office, spoke of our "new left wing foreign policy" in a move that was an all too obvious flying of a kite to see how far they could go and get away with it. But the reaction showed that there are more people than they realized in this country who know what is going on. The Prime Minister quickly pulled in his horns, reverted to his role of Prince Charming, and declared that it was all some kind of misunderstanding or misinterpretation. In other words, it is a case of holding up the con game for a while until no one is looking and then moving quickly forward with a new episode of legerdemain.

When it comes to government sleight of hand, there is no better example than its attempt sneakily to change the capital of this country. If it is government policy to change the capital from Ottawa to Ottawa-Hull, then why does the government not honestly admit it and propose an amendment to the British North America Act? But no, instead it follows the course of a sneak. Its illegal approach to this matter was clearly revealed several months ago in one of its own publications entitled "Canada's New Capital". I will quote a few words from this pamphlet:

> Ottawa is the capital of Canada. Right? Wrong. It used to be that staid, musty old Ottawa was known as the nation's capital. Technically, it still is. But let's drop the technicalities . . .

Aside from the fact that the publication of this insidious nonsense cost the Canadian taxpayers $18,000 for 20,000 copies, it is also an excellent example of a typical episode in this government's well planned con game.

Undoubtedly the next episode will be a further attempt to downgrade the effectiveness of a democratic opposition, and a good hint of what is to come was in the Speech from the Throne when we were told that the government would seek "as a matter of urgency" the "necessary reforms of parliamentary rules".

The key words used foretell what lies ahead. They are the words "matter of urgency" and "necessary", urgent and necessary to tamper further with the rules of this House because of the government's impatience with the democratic process.

How much easier it would be if the cabinet and the Prime Minister were not obliged to come here daily to provide answers to elected representatives of the people. How much easier it would be to run this country whatever way they want if the oral question period was abolished and it was required that all questions be submitted in advance.

This government is motivated by a kind of dictatorial complex. Call it of the right or of the left, it makes no difference. It is a government in the hands of a clique whose interests, I believe, are not synonymous with the best interests of Canada's national unity.

If this was a truly democratic government, surely someone on the front bench opposite would have risen to denounce the words of the Quebec minister of justice spoken earlier this week when he threatened Quebec's English speaking minority by saying that Quebec anglo-

phones are heading for "big disaster" and that he was giving them a "sympathetic warning". He declared:

> If the anglophones of Quebec are not ready to accept a minimum measure like Bill 22, they will inevitably provoke a confrontation and reaction that would further the cause of separatism.

There it is, the myth, the lie, the fraud, peddled by this government and its friends. If anyone speaks out in the name of common sense, or stands up for national unity and an end to the fractionalizing of Canada on a racial basis, they are at once a provoker of separatism.

If Canada some day does split apart—and certainly the ignored west, the forgotten Maritimes, and the neglected areas of eastern Ontario, have every justification to think of possible separation—if Canada someday splits into pieces and God hope it never does, this government will go down in history as the author and the instrument of that destruction.

May I say in conclusion, Madam Speaker, that the time is overdue for the great silent bulk of Canadians, no matter what their mother tongue, to tell this government that we have had enough of its ill conceived, foolish, expensive and disastrous measures of implementing bilingualism; to tell the government that we all want to be just plain Canadians and not hyphenated Canadians, and that we are not prepared to witness the destruction of our country by policies of language and racial confrontation conducted by this government.

[*Translation*]

Mr. Claude-André Lachance (Lafontaine): Madam Speaker, at the beginning of my first speech in the House, I would like to paraphrase one of the great men of the antiquity who, returning from a glorious conquest, had exclaimed: "*Veni, vidi, vici*". It remains indeed that the election of a member at 20 years of age is a victory for the people of a certain age who think that the young people are just good enough to carp about the respective merits of *Das Kapital* of Karl Marx or the small Red Book of Mao.

With the other members in this House, I would like, on the contrary, to try to give a new impetus to the legislative process and in that context, I wish to thank the electors of Lafontaine for their initiative and their courage, because courage is necessary to turn aside from the beaten track, especially in politics where ultra-conservatism is too often a maxim and the *status quo* a rule.

I remember a metaphor used by the hon. member for Hamilton-Mountain (Mr. MacFarlane) when he was talking about youth in this House. He was comparing youth to a sailboat with the wind of idealism as the motor and reason and common sense as the wheel. In the next few years, I hope to follow a line of conduct inspired from this ideal and it is with this in mind that I rise today to defend some principles which I hold to heart and which come from a certain understanding that I have of our society and the future that I anticipate for it.

Madam Speaker, every day, through the media or in the discussions that we have with other members, we hear about all kinds of problems which are all impossible to solve, including, I must admit, price increases and the various causes of inflation. Much has been said about this, and I am not surprised that the opposition with its legendary opportunism took advantage of this subject during the last electoral campaign. In fact, the problem is much more social than economic or political, and that is what I shall try to prove further on. The fact is that the problem exists and that we have to try and solve it. On this subject, I must immediately give the following explanation: I agree little if at all with the temporary measures suggested by some of our economists who still try to analyze our problems on the basis of assumptions which no longer apply in 1974.

Even though very valid in its details, this budget applies to a temporary period, and I shall not dwell on the external causes of inflation but rather on what we must anticipate in the medium and the long term. To better understand the Canadian economic context, we must realize that Canada is one of the rare countries ready to enter fully a new era, that of a post-industrial society. Solutions developed in the last century no longer apply when it comes to understanding the mechanisms which will control tomorrow's society. The great economic cycles moving on sinusoidal curves are the characteristics of a transitory society undergoing radical changes: such is ours.

We went from the agrarian period to that of industry in the middle of the 19th Century; we are now stepping into that new era I spoke of a while ago, which will be dominated by the third and fourth sectors of our economy.

What then are the main characteristics of that post-industrial society? I quote Jean Fourastié, well known French economist, who wrote in his book "*Le Grand Espoir du 20e siècle*", and I quote:

> By liberating man from tasks inanimate matter can perform for him, the machine must lead him to tasks he alone among created beings can perform: those of intellectual culture and moral perfecting.

We can already see the first effects of that evolution. The third sector, which resists technical progress, will eventually permeate our whole economy and the activities relating to advanced technology limited by its very success, and will absorb only a small part of the labour force. Again, I quote:

● (1620)

> The service industries will remain unstable for a long time. Primary and secondary production, the financial value of which will be small though formidable because of its material size, will depend on relatively few workers; a large portion of the population will be made up of indirect workers. One or two hundred workers in a key sector can already threaten the economic system of a nation; in the third sector, a few hundred technicians will be able to deprive millions of human beings of electricity, transportation and food.
>
> This implies the need for a State in a position to make the common good prevail. Inversely, the least hitch in the complex third sector, are oversight or a mistake in the tremendous effort of co-ordination, classification and planning, will result in serious consequences in primary and secondary production.

In fact, such a society is the end result of a process developed in the 19th century during the general industrialization campaign.

This new society overlooks a basic principle, namely "production for production's sake", which can only give rise to never-ending spiral: price increases, salary increases, and so on. As a matter of fact, what we must try to do is to make people understand and try ourselves to understand, that at some point, improved living conditions are not evaluated in terms of additional TV sets or tele-

phones for every member of a family, or else in terms of the size and horsepower of a car, but rather in terms of services provided to the people and particularly, the distribution of this affluence, of this opulence of which Galbraith speaks so rightly. Therefore, it is a completely new outlook. Can we draw any conclusions from it?

First of all, as a direct corollary, one must reason with the producers of goods for whom only the sales volume, therefore, the profits, is an indicator of social and economic progress. We must stop trying to adjust supply to demand and fight rather on a new front by adjusting demand to supply. I know that it may look simplistic but it is in fact the mentality of a whole nation that we must try to change.

We must first urge company directors to plan their production instead of giving priority as is the case now to development that I would term as of the "wildcat" sort. We must then change radically the attitude of the consumers themselves. I would like to illustrate briefly a few means of fulfilling those aspirations as related to the rationalizing of industry in Canada, and the setting up of an infrastructure for transportation to regionalize that industrial output. The Minister of Transport (Mr. Marchand) understood that priority, and he seems about to introduce a complete restructuration of the means of transportation in Canada.

The immediate effect of that action would be the creation of a planning board with a purely advisory function because I basically believe in the capacity of producers to adapt when it is in their interest. It would be up to that planning board to set up the priorities in the development of areas in line with the long term policies of the government. That already exists at the embryonary stage in the Department of Regional Economic Expansion, and I know that the new Federal Business Development Bank will provide advisory services for small and middle businesses.

Still about cost rationalization, a systematic effort should be made to promote the seeding and development of cooperation which has already proven to be an excellent way of serving the often conflicting, but always complementary interests of producers and consumers. Finally, for the consumers themselves, they should be honestly informed so they can learn for themselves the benefits of voluntary restriction.

I would like to say incidentally that it is sheer utopia to hope for a change of attitude in that area as long as the consumer will be the victim of propaganda—and I strongly stress that word—propaganda daily imposed on the consumer through often misleading advertising. I look upon a healthy capitalism where free competition would be effective and whose absolute weapon would be honest information on the true values of the products offered and not a daily and systematic hammering based on mass psychology.

I urge the Minister of Consumer and Corporate Affairs (Mr. Ouellet) to implement as soon as possible a really efficient code of ethics providing for, among other things, a drastic limitation of budgets allocated to advertising by Canadian companies. That would be a good short-term way to curb inflation, cutting 5 to 10 per cent off the production cost of item offered to consumers.

[Mr. Lachance.]

Finally, any proposal put forward could only be the prelude to the inevitable and long awaited-for final gesture of implementing a guaranteed annual income for all Canadians regardless of age or status. Let us now consider the total cost of government programs of a social nature with identical purposes. Here are some figures: program concerning senior citizens, old age pensions: $2.5 billion; guaranteed income supplement $950 million; pension annuities: $250 million; general social assistance to provinces: over $1 billion; special social assistance: $700 million; family allowances: almost $2 billion; unemployment insurance: $2,250 million. Which gives us an unbelievable total, the grand total of $11,360 million in transfer payments and other revenue support payments.

One can but deplore the administration red tape and daily frustrations citizens are faced with concerning the implementation of these programs, especially when these measures do not meet their hoped-for purpose, which is the case right now. Other mechanisms must be considered.

The guaranteed annual income concept has been gaining momentum these last few years. I quote the following from an article signed by Claude Lemelin which appeared in *Le Devoir* of November 21:

> Within a year, Canada could be provided with a new Federal-provincial guaranteed income program which could replace the numerous income support programs already implemented by Ottawa and the provinces thanks to the progress reported by the Ministers responsible for Social Affairs from the country's 11 governments during the Conference held in the Nation's capital on the 19th and 20th of November.

During this conference three steps were outlined:

> 1. A unique and monolithic system, guaranteeing a minimum income to any citizen whose revenues from other sources would not reach a given level, regardless of other socio-economic characteristics;
>
> 2. A two-prong system, which would include first of all a guaranteed income program for workers whose income is inadequate, either because of the size of their families or the seasonal character of their job; and then a full-scale guaranteed income program for those who are either unemployable, unable to find a job or would meet some objective qualification requirements;
>
> 3. A two-prong system identical to the preceding, except that the income guarantee would be provided through tax credits (cashable by non taxpayers) rather than through direct allowances from public funds.

In 1971, the Senate special committee report on poverty already proposed a great number of guaranteed annual income formulas among which I single the following: a negative income tax to be applied nationally on an uniform basis. I quote from the report:

> The program would be financed and administered by the federal government which would make uniform cash payments to all economically underprivileged Canadian residents. The payments would depend upon the size and the needs of the family and they would determine a new minimum under which no family would be left alone.

To illustrate this, the poverty line as established in the report is about $7,000 for a family of four. I challenge anyone to claim that the full amount abovementioned is provided through current programmes.

In short and in order to prevent people from regarding me as a so-called "philosopher", I will say I dream of a Canada in which every citizen will have the opportunity of developing his talents and skills, without having to prostitute intellectually, in order to make a living for his family. I dream of a 21st century Canada, which will stop waging constitutional wars and set to work definitely so

that everyone may share its good fortune. I dream of a Canada in which we will decide to care for the aged, not by giving them mere pittance and letting under the constant threat of exploitation, but by setting up a rational home care and recreation system. That will be done by programs such as New Horizons and particularly by building homes which are in accordance with the aged and their needs.

Madam Speaker, the days of half-measures are over. The federal government must take the lead and the leadership in all fields with a socio-economic character. Experience has proven that we cannot rely on provincial programs concerning salary supplements. I can assure this House that I am not very proud when a pensioner comes to see me about pension indexation and says to me: "Your programs are all very nice, but why did the provincial government cut my income supplement by an amount equal and sometimes superior to the increase I received from the federal government?" What will be the impact of the new program which is supposed to be in force in 1975? Concerning spouses aged 60 or 65 now on their pension, what will happen when they receive these supplementary amounts? Will the provincial government definitely cut off their income supplement? In that case it is a joke. You cannot fool people that way all the time. We look like fools. No, we must rationalize programs, and the only way I think we can achieve that is by putting all these programs under one level of government, that is the federal government.

Madam Speaker, rebellion is threatening among the poor. It is not sufficient to close our eyes and pray. The time has come to take measures in that area.

In conclusion, let me quote the report of the special Senate committee on poverty, in which is stated the challenge we must face:

> Measures must be taken now, if we want to prevent millions of Canadians from continuing to consider life only as a cruel and fierce struggle for survivance. We must set aside our social assistance and service policies and replace them by a program of revenue and financial assistance. We must give the defenseless the hope for a better future.

Madam Speaker, Galbraith wrote about production in his book *The Affluent Society*:

> Furnishing an empty room is one thing. Piling up furniture until the whole place is ready to collapse is another. If the matter of production had been bound to fail, man would have remained doomed to his traditional fate. But if we fail to realize that we have found out the solution and immediately undertake the necessary task, we will be heading for an equally frightful tragedy.

Madam Speaker, I have a dream of happy Canadians. That has been the greatest hope of the 20th century and I have been elected to work at its realization.

● (1630)

[*English*]

Mr. Bert Cadieu (Meadow Lake): Mr. Speaker, I had hoped that during the two years when I was absent from this House the government, in view of the situation it was facing, would change its thinking. I can see by what has been presented in the budget, and from what has gone on in the House during the present session, that it has not. I had especially hoped that after election night this country would be governed by a new government, and I am disappointed that the wisdom of the voters of the Meadow Lake constituency was not reflected in the election results in the majority of the constituencies in Canada, especially in the constituency of Ottawa-Carleton. If those voters had voted differently, the people of Canada might have been spared the disappointment of this budget.

Be that as it may, I am sure most people in Canada hoped that the Minister of Finance (Mr. Turner) would show leadership and bring forward good ideas. Instead, he has simply added sugar to the same old stew—and with sugar being expensive, he did not add much. If he bought the meat right from the producer, he bought it dirt cheap. One can only say that the Minister of Finance is doing as his fellow ministers are doing, falling flat when faced with his "big moment".

It is difficult to move a truck which is stuck in a rut when a tire is flat. Well, the government is not even trying to move that truck. It thinks that if it leaves the truck there for the winter, the ground will freeze and it can drive the truck away, smiling. Let me tell you that many farmers who own trucks are not smiling, especially if there is livestock in the truck.

It appears that the Minister of Finance has forgotten that it was actually the Minister of Agriculture (Mr. Whelan) who won the election for the government and enabled the minister to keep his job; yet the Minister of Finance, in the budget, hardly mentions anything in which the agricultural industry can show great interest. Certainly that omission does not speak of gratitude.

The Minister of Finance calls for restraint, yet it is evident from the budget figures, to an ordinary farmer or rancher like myself, that the government is suffering from diarrhoea of the purse and intends to cure it with a laxative.

I have seen many of the end results of this ailment, resulting from the way the government has spent so much of the taxpayers' money in a few areas. It is nothing short of deplorable that one quarter of the people in my area do not have television reception; for many the only method of transportation is by air. Unfortunately, most of the residents of my area do not have friends of the sort the Minister of National Health and Welfare (Mr. Lalonde) has, Madam Speaker.

● (1640)

I have been told recently that television will not be available to the people of a vast area in the northwestern part of Saskatchewan comprising Canoe Narrows, Beauval, Pinehouse, Ile à la Crosse, Buffalo Narrows, Patuanak, Dillon, Portage la Loche and Turnor Lake, until 1976. In 1972 I was told it would be available in 1974. I wonder what I will be told in 1976.

We should bear in mind that Ile à la Crosse is one of the oldest settlements in Saskatchewan. It was this government that destroyed the people's chance to have television reception in this area as long as nine years ago. The radar towers and equipment which were put there at no cost to this government were destroyed. The CBC has showed interest in this equipment. It was an asset with regard to bringing television to this vast area. The radar tower at Fort Black was reduced to scrap for no reason whatsoever.

We realize what television would do for the people in this vast area during the long winter, particularly school children and senior citizens. Do I have to tell the people of that area that the government wants to forget them for another two years? This is going to be very bad news for the people in this part of my constituency.

It was this government that discontinued the Roads to Resources program. Large portions of this area, going into the Athabasca region and the great mining country around Uranium City, are as far away from an all-weather road as they were 10 years ago. This government dropped the Roads to Resources program which was set up by the Diefenbaker government. The area around Uranium City has created enough wealth that it should have had an all-weather road leading into it long ago.

I could go on at great length about the shortcomings of the government with regard to the north country. Unless some changes are made, this budget will be pretty slim picking for the people of that area.

There is a terrible problem in western Canada with regard to agriculture. We saw what happened a few years ago to the pork producers in the west. They were put out of business. Today the beef producers are in a deplorable situation. A lot of this has been caused by government meddling.

Only a few months ago the government was advocating that farmers diversify and go into beef cattle. I do not know where the government researchers were, but I know the predicament in which the western farmers find themselves today. We know what the beef producers are doing in eastern Canada. We saw an example of that not too long ago.

There have been many farm starts in my constituency. People were encouraged to go into beef cattle. In order to do this they borrowed money at a high rate of interest. Many who bought breeding stock last spring cannot get back one quarter of what they paid.

Are we to look forward to the same kind of situation for our grain producers? Just recently the minister in charge of the wheat board introduced a two-price system for wheat. Our party has advocated that for many years. We worked hard for a two-price system. However, today the government wants a two-price system with a maximum price for wheat consumed locally. It did not call in the producers or the farm organizations to discuss setting a price for a period of seven years. At the rate inflation is going in this country, I wonder whether $3.25 a bushel will be adequate in seven years. Who knows? Why would the government force through such a bill without first consulting those who are very much concerned? It is very injust. I think the opposition has forced the government to take another look at this. I think it will now call in the producers and farm organizations to discuss this bill. There are many such situations in western Canada. The people there will certainly not be happy with this budget.

We hear a lot today about rail line abandonment. In my area many lines have never been completed. If some of these lines had been completed, they would be on a paying basis. How can a rail line that has not been completed, pay? There is still a gap in the line, and now the government is talking about abandonment. This makes me think of our forefathers who pioneered this country. They advocated the rail lines. However, even at this late state the lines have not been completed and, as I say, now the government is talking about abandonment.

Everyone in western Canada knows that grain can be moved much cheaper by rail than by truck. Therefore I do not know why the government is determined to go hog-wild into rail line abandonment. The people concerned should have some say about this.

There are many other items I could deal with, especially northern development. The government should take a close look at the Roads to Resources program. It should also provide television for these people I have mentioned. They are entitled to it. These people have spent the greatest part of their lives in that area. Surely they should have the right to television.

I took notice of what the minister had to say in his budget about housing. For years we have been asking for the removal of the sales tax on building materials and at a time when so many young people are in need of homes I do not understand why it should be retained, even in part. It is true the Minister of Finance has agreed to reduce it, but when one considers the expense of maintaining the bureaucracy needed to collect the tax at 5 per cent, it might have been far better to have abolished it altogether.

● (1650)

The whole budget is ill-conceived as far as I am concerned, speaking for the constituency of Meadow Lake.

Mr. Macdonald (Rosedale): Madam Speaker, on a point of order I do not know whether the House would like to continue to discuss this subject matter for another seven minutes or whether we might revert to motions at this point. The opposition spokesmen, unfortunately, are not here yet.

[*Translation*]

Mr. Caouette (Témiscamingue): Madam Speaker, I do not think it is worth taking the floor for five or seven minutes today. I therefore agree for the Minister to proceed with his statement.

[*English*]

Mr. Knowles (Winnipeg North Centre): Madam Speaker, I merely wish to point out that the spokesmen on this issue for the Progressive Conservatives and for our party are not here at the moment. They are still studying the documents. Would it not be better to wait until they arrive?

Mr. Foster: Keep it in neutral for five minutes.

Mr. Knowles (Winnipeg North Centre): There is a verse in the Bible which says that there was silence in heaven for the space of half an hour. Maybe we could have silence in this chamber for five minutes.

Some hon. Members: Agreed.

[*Translation*]

Mr. Caouette (Témiscamingue): May I simply make a request, Madam Speaker. I am not taking the floor because I shall not be able to attend Monday's debate. However,

with your kind permission, I might leave the floor to my colleague, the hon. member for Bellechasse (Mr. Lambert), who could continue Monday.

[*English*]

The Acting Speaker (Mrs. Morin): Is it agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Madam Speaker, I am very pleased with the agreement voiced by my colleagues in this House.

Inasmuch as we are discussing a most important matter, that is the billions of dollars involved in the budget which has been brought before us, and in the light also of the very interesting and very serious remarks made by the Minister of Finance (Mr. Turner) in his budget speech, I should like to have the opportunity of reviewing the budget more completely in order to comment on it in a fair manner and to make suggestions which should improve our public sector financing system. Also I will be in a position to bring forward very concrete proposals for improving the situation of low income families which in my opinion, have not been dealt with properly in the budget speech of the Minister of Finance.

Madam Speaker, may I call it five o'clock? I could perhaps continue on Monday.

[*English*]

The Acting Speaker (Mrs. Morin): Shall we call it five o'clock?

There is no agreement.

[*Translation*]

Mr. Lambert (Bellechasse): Madam Speaker, since there does not seem to be agreement, I am willing to continue. Please tell me when it is five o'clock.

The Acting Speaker (Mrs. Morin): The hon. member for Bellechasse may continue.

Mr. Lambert (Bellechasse): The budget presented by the Minister of Finance does contain interesting proposals. The tax reduction on building materials is an excellent measure, I believe, but that tax should have been removed completely. A mere 6 per cent reduction in the tax on building materials will not be enough to incite those who wish to build a home to avail themselves of this reduction, because financial institutions are less and less eager to lend money to young people. As for those who wish to build factories or plants, they are denied the necessary credits.

Last week, Madam Speaker, I witnessed an attempt on the part of three young men who got together to launch a business. Those young men had a good trade, good training and would certainly have been useful in their community, where they could have operated that kind of business, that kind of industry. The finance companies denied them the credits that were required to buy the land where they wished to build that factory. Now, we blame young people saying that they lack initiative, that they wish to take advantage of society without making their own contribution. They are being accused of all kinds of things of which they are not responsible and they are being discouraged. They are deterred from their goal, which was to undertake something useful.

The Acting Speaker (Mrs. Morin): I regret to have to interrupt the hon. member but it being five o'clock, the House will now revert to motions, according to the provisions of the special order passed earlier this day.

* * *

[*English*]

ENERGY

GOVERNMENT ACTION TO CURTAIL OIL EXPORTS—TABLING OF NATIONAL ENERGY BOARD REPORT

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Madam Speaker, I should like to thank all hon. members for their courtesy in enabling us to adjust our procedures to the statement to be made.

In February, 1973, I announced that the National Energy Board would hold a public hearing "in order to provide opportunity for interested parties to be heard as to the appropriate methods for protecting the public interest in respect of oil exports over the longer term". After preparatory work, notice of the board's hearings with respect to this matter was given on July 5, 1973 and companies and interested groups were asked to file briefs with the board by October 15. Subsequently, the board held hearings in Calgary, Vancouver and Ottawa, terminating on May 2, 1974.

● (1700)

The board, after carefully considering all submissions, testimony and argument presented, set out its findings in a report to me on the matter of the exportation of oil which it submitted under section 22 of the National Energy Board Act. Under section 23 of the act, reports of the board made under Part II may be made public with the approval of the minister and, having regard to the importance of this report, I decided that it should be made public so that all Canadians may be aware of the oil supply and demand outlook in Canada, and of the need to take further action with respect to oil exports.

The government accepts the board's finding that steps should be taken to reduce exports of oil with a view to providing additional protection for Canadian requirements. To this end the board intends to modify immediately its licensing procedure.

The government accepts the board's recommendation for a new export control system. However, in view of the impending requirements for the Montreal market, I intend to seek early consultation with the producing provinces with a view to reducing exports more sharply than under the board's recommended formula. The board allocated 250,000 barrels per day for the Montreal market from 1975 onward but proposed that these supplies be declared surplus to Canadian requirements—and therefore eligible for export—until the Montreal line comes onstream in 1976. I intend to discuss with the provinces the advisability of "shutting in" these supplies beginning in mid-1975, rather than considering them surplus to Canadian requirements for export purposes until the line is completed in 1976.

This would result in a reduction of exports to a level of about 650,000 barrels per day for the latter part of 1975, compared to an export level of some 800,000 barrels per day that would otherwise be in effect.

[*Translation*]

Evidence produced before the National Energy Board during its hearing and its appraisal of this evidence indicated an inevitable decline in producibility of indigenous crude oil commencing next year and continuing in the 1980's, when frontier oil and larger quantities of oil sands output are expected to become available.

Based on present supply and demand trends, there is a forecast deficiency in supply to the domestic market served by Canadian oil in early 1982 which would grow to 200,000 barrels a day by late 1983. In the face of this prospect the Board decided to adopt a new procedure to determine the level of oil exports, based on a formula by which the volume of crude oil available for export licensing during a given year will be related to oil producibility, demand for Canadian use, and a conservation expectation as estimated for that year. The volume of oil exports thus computed would be reduced by a factor which would become more severe as the estimated period of self sufficiency decreased.

[*English*]

The government decided against an immediate and complete discontinuance of oil exports because cessation of exports would provide for sufficient producibility for only a few months additional to that provided by the phased reduction of exports approved by the cabinet. That is, an immediate halt to exports would extend sufficient deliverability for about two and a half years while the government's decision to phase down exports in line with the board's recommendations will extend the period for about one and a half years. As I stated, it is my intention to seek consultations with the producing provinces with an aim to extending this period to two years by beginning the phase down of exports next year and in 1976.

An immediate halt to exports would be disruptive to Canadian-United States trade relations. It would deprive certain northern U.S. refineries and their communities of the Canadian crude oil on which they have traditionally relied.

In Canada a sudden and complete reduction of current exports would deprive industry of a major source of cash flow required to find the higher cost reserves of the frontier areas. It would also idle a portion of the capacity of producing facilities which have been financed over the past few years. There would be a major impact on the income of the oil producing provinces, on the oil service industries, and a major effect on Canada's foreign exchange.

In adopting its new procedure the board will identify the volume of allowable oil exports for a period of at least one year, but annual average levels will be adjusted to account for immediate supply and demand factors by issuing monthly export licences, as at present. Hearings will be held periodically to receive evidence with respect to the potential producibility of Canadian oil, the domestic demand for indigenous feed stocks, and the effects of conservation on Canadian consumption and surplus.

While the board is forecasting that by 1982 there will not be enough crude oil production in Canada to meet the Canadian market demands which are now served by Canadian oil production, plus 250,000 barrels a day for Montreal, this outlook can be altered not only by the board's proposed export control formula but also by greater attention by all levels of government, and by all citizens, to conservation measures in the use of energy. The federal government will announce this winter a series of programs designed to conserve all forms of energy.

In 1960, when the federal government launched the national oil policy, the export level was about 100,000 barrels a day. By 1970 exports had risen to 670,000 barrels a day. The rapidly growing deficiency in the United States in the early years of this decade created a sharply increased demand for Canadian crude, and exports rose to the 1.1 million barrel a day level by 1973 when the government instituted export controls. This control system has enabled the government to reduce exports, which for 1974 have averaged 900,000 barrels per day.

By the 1980's we can expect a resurgence in production as the frontier areas and the oil sands are opened up. At the same time our capability in nuclear energy production will also become very significant. Thus the energy supply outlook for the long term is promising. The challenge before us is to maintain a high degree of self-sufficiency in the intervening years, and this new regime of oil export control I have announced today is designed to attain that objective.

If I may, Mr. Speaker, I should now like to table copies, in the two official language, of the report of the National Energy Board, "In the Matter of the Exportation of Oil".

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, the report by the National Energy Board entitled "The Matter of the Exportation of Oil" demonstrates to this institution that the National Energy Board can produce a very useful document whenever it is requested to do so. I welcome the National Energy Board back to its function as laid down in the act of 1959, namely, of advising the government and the people of Canada.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): I have read the report and I cannot help but compare it with the report we received from the government last July entitled, "A National Oil Policy for Canada". When I look at the charts in that volume on supply and the optimism and the expectations they represent, I get the impression that the figures we read in this report today are going to be much more useful to the government in planning future policy.

I cannot understand for the life of me, in view of what is in this report on the exportation of oil, presented to the House today, why the government kept it secret so long. It would have been just as useful two weeks ago, and we might have avoided a lot of the misery the members of this House had to endure this last two or three weeks. I think it will become clear in my remarks why that is so, Mr. Speaker.

I am not going to quote extensively from the report, but would like to refer to two short passages, the first one

dealing with supply in barrels per day. I want the House to listen to the conclusion reached by the National Energy Board after it heard all the submissions of industry and its own experts. It reads:

● (1710)

Various studies of geologically potential oil, gas and other resources leave little doubt that there are abundant deposits in widely scattered areas of Canada. The conversion of known resources, such as the oil sands and heavy oils, and inferred or potential resources, such as are expected in the frontier areas, into established reserves will require technological progress but, more importantly, will require favourable economic conditions for development, production and transportation. There is also a major problem in respect of timing. However, given sufficient lead-time and proper economic incentives, there is a good prospect that Canada could become self-sufficient in energy for a long period.

In view of that conclusion there is no need to terrorize the people of Canada into thinking that our future is opaque and dismal.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Would the hon. member please give me the page number from which he quoted?

Mr. Hamilton (Qu'Appelle-Moose Mountain): Page 2-14.

Then again in chapter 5, page 15, speaking this time on the subject of exports, the report reads:

Given the size, nature and timing of a possible supply-demand intersection, as set out in section 4 of this report, the board is of a view that policies of all levels of government, of the financial community, and of the industry itself must be such as to ensure that adequate rates of return and cash flows are available.

That is the view of the board that we in parliament set up to advise us on the public interest in matters of energy. I repeat again, as the minister has stated in his own statement and as the report states, that Canada needs a continuation of imports into this country to keep our own economy healthy and to keep our energy situation healthy, particularly in the next 10 years. Also, if we are to achieve this type of situation where our industry is healthy, we will have to provide favourable economic conditions. The question is, how? I will come back to this in a moment.

But before I go into that I would like to talk about imports. On October 3 in the House I made a proposal to the Prime Minister (Mr. Trudeau) which he has promised to consider, that Canada should offer its hospitality to all countries of the world, both importers and exporters of oil, presumably some time next year, with the purpose of bringing a rule of law into world prices of oil, and also to give us the framework within which the countries of the world allocate supplies instead of this being done by international oil companies.

As I stated, the Prime Minister promised to consider that proposal. The reason I hesitated in asking if he has made a decision is that I requested the Arab nations in OPEC to make their representations to the Secretary of State for External Affairs (Mr. MacEachen) in Canada indicating to him, and hopefully through him to the Prime Minister, that the Arab nations consider this proposal in a favourable light. I have great hopes that even though we do not have ambassadorial strength in all the Arab countries, and even though our own nation does not go to see the Arabs, that the Arab nations will come and see us, expressing a will to join in such an international undertaking.

An international commodity agreement should have been in place these last 50 years. Instead, we have had to rely on the good graces and efficiency of the international oil cartel to set our prices and allocate our supplies.

Secondly, in regard to favourable economic conditions, I do not think there is a person on either side of this House who, in his heart, does not know that there should be an end to this war on the provinces. We have to realize that provincial governments are the voice of the people of an area. You cannot go over them with unilateral actions, repudiating agreements not only with provincial premiers and provincial ministers, but with industry.

I suggest that if we are going to follow the recommendations in the exportation of oil document provided by the National Energy Board we should return to the traditional Canadian way of working out our federal system, namely, consulting with our provinces in the running of this country.

By consultation, Madam Speaker, I do not mean just the phasing down procedures which the minister has stated he is going to start in consultation with the producing provinces. I am not talking about that itty bitty little bit of technical detail. I am talking about the whole energy picture, and that includes price and the staging of price increases; it includes a cushion for the consumers. If there is injustice, or if extra sacrifice is demanded from the producer provinces greater than the ordinary Canadian should have to bear to maintain these national purposes, the principle of *quid pro quo* should still apply as it applied at the time of the drafting of the British North America Act without which there would be no agreement, and as it did in the Alberta and Saskatchewan Natural Resources Act of 1930. Without that agreement we would not have made the progress we did make in this country in the last 107 years.

In this whole energy picture we should consider the provinces on the question of exports, the question of imports and, above all, in the matter of taxation, which is the present quarrel. Pipelines should be brought to their attention. It is in our prerogative entirely, but they are providing the energy and we should consult with them.

Above all, in the final industrial strategy people who live in Ontario, in the industrial complex between Sarnia and the eastern townships of Quebec, know that other regions of this country want a chance to share in its wealth, not as a handout through a DREE grant but with their resources giving them comparative advantage. I would suggest that if you consult on this over-all energy picture it would be a tremendous day in the history of Canada.

In view of the minister's attitudes and his actions in the last two or three years, this means he will have to follow the precedent of an illustrious predecessor who was a leader of the Liberal Party. When William Lyon Mackenzie King sat on this side of the House he said he was prepared to "walk in the valley of humiliation". He survived.

I notice today, Madam Speaker, that in response to a question by the hon. member for Athabasca (Mr. Yewchuk) the Prime Minister said that he was willing to reconsider the petroleum administration bill and the resource sections of the budget that have divided this House. I ask the Prime Minister, through the Minister of Energy (Mr. Macdonald) to give that matter his deepest consideration because, if we do not become flexible again, if we do not treat our provinces as provinces of Canada deserving of consideration, the end will be something most of us do not want to contemplate. I am putting it this way, in terms which can be understood. If we do not agree to create a favourable economic climate, it will be the consumer who will pay the price for our neglect.

● (1720)

Having said that, may I now comment on the proposed oil pipeline. I used to refer to it as the pipeline to Montreal, but now I prefer to speak of it as the pipeline from Montreal to Sarnia. This must be a two-way pipeline. It must be capable of moving oil in both directions if we are to do what the report recommends. We must utilize to the maximum any oil which we acquire on world markets. If the government cannot find a private corporation which is willing to build a pipeline because of uncertainties over guarantees, I think the government, in the interests of this country, must build it itself, even if the pipeline stays empty. It will be there to protect us. It will protect those in the centre of Canada. It will move oil to Sarnia, if necessary, or to Montreal and the eastern areas of the country.

Next I shall speak on the question of export. I think the recommendations of the report are sensible. They come down against cutting off exports completely and recommend, from the beginning, production of about 650,000 barrels a day, plus 250,000 for the Montreal market, giving an average rate of production of 900,000 barrels per day. That should show western producers that there is a future for them in the Canadian market. If the government goes ahead with its proposals, the market will be stable.

I know oil companies are concerned about price, and we hear talk of much confusion and despair. I know that many boards of directors are considering their programs for next year. If the government would only say, "We will consult with the provinces on taxation, sharing of rents, and so on," I think the industry would feel more confident.

On October 21 last I made a suggestion which, if adopted, will give a way out for the provinces, the industry and the federal government. I know my proposal will work because if it will give the federal government more money, provincial governments more money and the industry more money, it will be acceptable. I ask the government to look at that proposal, because I think that it would restore the confidence of the industry in this country. If that confidence is restored, Canada can look forward to a great future; but that future can only be realized if there is cooperation between senior governments.

I will not say much about conservation and the environment, as the report deals with these questions adequately. Incidentally, if the minister intends to turn lights off, I wish he would turn off the lights in the Pearson building.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

They are on every night. We can live with the recommendations of the National Energy Board on that subject.

The report does not deal with alternative sources of energy. True, it mentions nuclear sources but does not mention renewable sources of energy. Our neighbour on the North American continent, the United States, is spending $20 billion in a 10-year program developing alternative sources of energy. It is spending at the rate of $2 billion per year. Of that $2 billion it is spending $60 million a year on a biomass program—the minister will tell the Minister of Agriculture (Mr. Whelan) what that means. According to the information I have, Canada at present is spending about $200,000 a year in this field.

I feel I have dealt adequately with the report, Madam Speaker, to show that it is sufficient grounds for confidence. The report shows that we are justified in our confidence in the future of Canada, even though there is a difficult 10-year period ahead. Canada has before it great opportunities, and the report will do much to enable us to restore our confidence in ourselves. Certainly we must bring frontier oils and tar sand oils on stream between 1985 and 1990; it is a just a question of being sensible in the meantime. I hope the government will take advantage of this report, withdraw the petroleum administration bill and cancel those sections of the budget which would start a war between the federal government and the provinces.

If it does that it will be amazed at how the stock market will react on Monday and succeeding days, and we shall all be pleased at what we in this country can do, once we create a favourable economic climate. We need not despair, Madam Speaker.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Madam Speaker, I feel something like a passenger on the *Titanic* watching the captain re-arranging the seating after having struck the iceberg.

I have only had an opportunity to make a very hasty and cursory examination of this report. I think it is probably more realistic than some of the reports we have had from the National Energy Board. It is certainly much more realistic than some of the estimates that have been made by the Department of Energy, Mines and Resources with respect to the life index of oil supplies in Canada. However, I would point out that they are still fairly optimistic and are still making assumptions which, in my opinion, are very dubious.

If I can summarize it quickly, they are suggesting that if we leave our exports to the United States at their present level and continue our present consumption and present imports, the life index of our conventional western oil is 7.3 years. If we cut off our exports as of January 1, 1975, our supplies will last 9.9 years before we will be in a position of non self-sufficiency. If we phase out the exports on a schedule which they have set, we will extend the life of the oil reserves of Canada to some 9.0 years.

I cannot for a moment understand why we should talk about phasing out exports to 1982. The minister said in his statement that he wants to reduce these exports more rapidly than the National Energy Board has suggested. However, as I take it from his statement, all he is proposing to do is have consultations with the provinces with a view to beginning, in the middle of July, to take the

250,000 barrels a day which would be going through the pipeline if the pipeline were there, and retaining that oil rather than making it available for export. That means we save 150,000 barrels a day until such time as the pipeline from Sarnia to Montreal is built. The minister hopefully suggested that that might be in 1976. That is not stepping up the reduction of exports very materially.

It should not be necessary to take seven years to phase out our exports to the United States. I agree with the minister that we cannot cut off those exports all at once. That would be unfair. I think it would call for the measures of retaliation. I have advocated for the past four or five years, and I have said it many times in this House, that we ought to give the Americans notice that we are going to phase them out over a period of three or four years. That would give them time to make arrangements for other sources of supply. I think that should be done. However, I see no reason why this phasing out process should be extended over a seven-year period.

The minister argues this will cause some dislocation in the United States. I want to point out to the minister that it will cause some dislocation in Canada if in 1982 we are not able to meet our own oil needs. Also, I think that three or four years would give the Americans ample time to prepare themselves for any dislocation.

Canadians tend to forget that the Americans have larger supplies of oil than we have and that the Americans import a smaller percentage of their oil requirements than we do.

In the 12 month period ending June 30 last, we exported 60 per cent of our oil production. That is ridiculous in a country which has only a few years of conventional oil supplies left.

● (1730)

I can see no reason why the period for phasing out exports cannot be reduced to three years or, at the most, to four years. The minister raises a question of great importance when he says this will cause hardship to the oil-producing provinces and to the oil industry. That is true, if we phase out exports and lack facilities for sending that oil to eastern Canada. The oil would have to be kept in the ground. But I would think the minister could work out a suitable policy.

I see no reason why payment cannot be made for oil in the ground. I remember that when we did not want to export some of the surplus supplies of natural gas from Saskatchewan, because we knew we would require them, we actually paid those same companies to keep the gas in the ground until we required it. And now, of course, we do require it and are very glad to have it available. I believe the provinces and the industry could be compensated until such time as we can take the oil out of the ground.

We are running close to the line. We shall face a critical situation in 1982. I think the margin allowed by the National Energy Board is too narrow. They are counting heavily on the tar sands coming into production from 1980 on, and they are estimating that the Canadian Oil Sands Company will be producing—it is, indeed, producing now—and that Syncrude will be operating at full capacity, which is dubious, and that Shell will be in production by that time. Shell has not even started. It is supposed to start next year, or the year after, but there is no guarantee that it will. The whole report is based on the optimistic assumption that from 1980 on we shall be able to count on fairly large supplies of oil from the tar sands.

There is also the assumption that we shall be able to count on oil from the Arctic and from the east coast. But if one examines the report closely, and looks at the figures given by the different companies, one reaches the conclusion that supplies of oil from those two sources can hardly be expected before 1985-1990.

I am disappointed the minister has not told us what policies the government intends to follow to ensure these further supplies of oil when our present conventional supplies are exhausted or near exhaustion. He has delayed making a statement on this report; his statement was held over until the stock market was closed. I do not know why. All the minister is telling us is that the National Energy Board is proposing to phase out our exports over seven years, and that he intends to carry out a public relations campaign to persuade Canadians to preserve petroleum. There is certainly nothing startling about that. What we need to know are the government's policies with respect to ensuring an increase in supplies to meet the critical situation that the National Energy Board has anticipated around 1982.

The National Energy Board assumes, for instance, that in the tar sands one plant will be built every 18 months. That is at least $1 billion per plant, and with inflation we can probably add 50 per cent to that. Not only is it a financial problem, but we have yet to solve the environmental problem. A million barrels a day from the oil sands means that after the oil has been extracted you have to dispose of two million tons of loose oil sand. The environmental problems are tremendous and they have to be faced up to, now and in the future.

Arctic and frontier development will require large sums of money and manpower. What policies has the government to ensure that in only seven years we are going to have from the tar sands, and/or from the Arctic and east coast, adequate supplies of oil to meet the very critical situation that is almost upon us? I think that unless we can get some statements of policy it is very difficult for me to share the optimism either which the minister displays or which the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) indicated.

To sum up, Madam Speaker, I think this country is heading into a very critical energy crisis. I think we are in a race against time. I do not like to sound like Cassandra; the only feeling of justification for so doing comes from the fact that Cassandra was right.

As I say, we are heading into a very critical situation and we have only a few years in which, firstly, to conserve the oil we have by reducing our exports, and secondly, to enter into a crash program to develop the tar sands and, if possible, to get oil from the Arctic and the east coast. Keeping in mind that so far we have not discovered any oil of commercial quantity either in the Arctic or off the east coast, we may be leaning on a broken reed. Therefore, our best hope at the moment is to get oil from the tar sands. I have seen no indication of any program that will supply the large sums of money required for that purpose.

This is a race against time, and time in this instance is not on our side.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Madam Speaker, the National Energy Board report just tabled by the Minister of Energy, Mines and Resources (Mr. Macdonald) indicates to the people of Canada that we are on the verge of an energy crisis, an oil crisis more serious in nature than we were told in October of last year. The minister however concluded on an optimistic note.

I find that hard to follow. I remember at the beginning of the session in the fall of 1973, I asked the Minister of Energy, Mines and Resources what were our reserves for eastern Canada, and whether there was danger of scarcity during the winter of 1973-74. At that time, the minister answered reserves were adequate and there was no danger whatsoever. Yet a few days later the minister said in a special debate that we were on the verge of a full energy crisis. This optimistic note by the minister now leaves me in doubt. And when I see that known Canadian reserves are adequate for 7.3 years only, even in the assumption of immediate curtailment of exports, this would give only a 2.6-year extension. There comes the immediate conclusion that we must take steps to find other sources of energy.

It is now mentioned in the province of Quebec that the investment in the hydroelectric project now under construction in my constituency will reach the $20 billion level. There is mention of investing some $80 billion in the exploitation of Albertan tar sands and Athabaska heavy oils. In other words, it will take hard cash to get heat. Madam Speaker, I suggest Canadians living now, as those living in 1980 or 1990, will not be able to repay even the interests on the investments involved in the development of resources needed for industry and everyday life. This makes evident the difficulties we are facing in such undertakings. The multinational oil companies now use the slogan to which we were accustomed by finance companies: "Travel now, pay later".

Some oil companies have followed this pattern. Since last fall, they have been telling us: Pay now for the development which will have to come later. That is what we have been forced into. Prices of gas and home heating oil have increased. Now we have to face these difficulties. Even by taking immediate action in order to reduce exports to the United-States or, at least to phase them down, we will only solve part of the problem which finally will have to be faced: storing 250,000 barrels a day in the area of Montreal until the day when we can use the pipeline which is expected to be built by the fall of 1976. The laying of the pipeline has not started yet, and given the building problems of an undertaking of this kind I, very much doubt that it might be ready then.

Madam Speaker, one thing is sure: We now know what to expect and I believe that the government, with the agreement of the provincial governments, must take immediate action to promote further exploration, not only of oil, but of any form of energy which might be used by Canadians.

The Acting Speaker (Mrs. Morin): Order. As it is past 5 o'clock p.m., the House stands adjourned until Monday at 2 o'clock p.m., under standing order 2 (1).

At 5:46 p.m., the House adjourned pursuant to the special order passed earlier today.

HOUSE OF COMMONS

Monday November 25, 1974

The House met at 2 p.m.

[*English*]

THE GREY CUP—SPORTS

RESULT OF THE EAST-WEST CANADIAN FOOTBALL LEAGUE CHAMPIONSHIP

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I appreciate the symbol of mourning for the Edmonton Eskimos that has been placed on my desk. I rise to pay tribute to the gridiron gladiators who yesterday gave more than 100 per cent effort and, like politicians, took nothing in return but a few bruises. Never has there been a greater display of national unity than there was yesterday in Vancouver. The Grey Cup game and its festivities have done much to bring together the east and the west. To the president of the Canadian Football League, Mr. Jim Hole, to the commissioner, Mr. Jake Gaudaur, and to both teams I pay tribute. I congratulate them for their spirit of sportsmanship.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

ENERGY

TABLING OF CORRESPONDENCE BETWEEN PREMIERS OF ALBERTA, SASKATCHEWAN AND PRIME MINISTER

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, what I have to do is not related to the spirit of humility which was just shown by the hon. member for Edmonton Centre (Mr. Paproski). However, I am pleased to join in the tribute he paid to the players taking part in the Grey Cup game.

I wish to table correspondence between myself and premiers Lougheed and Blakeney concerning resource policy. I would do this under Standing Order 41(2), with the permission of the House. I obtained the permission of the premiers to table this correspondence only this morning, and for that reason translations have not yet been completed. I ask the indulgence of the House to table the English version only, and for permission to table the French translation a little later.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Translation*]

EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

CONCURRENCE IN FIRST REPORT

Mr. J.-J. Blais (Nipissing) moved that the first report of the Special Joint Committee on Employer-Employee relations in the Public Service, presented to the House Thursday, November 14, 1974, be concurred in.

Motion agreed to.

* * *

[*English*]

CANADA PENSION PLAN

AMENDMENT TO DISABILITY PENSION PROVISION

Mr. J.-J. Blais (Nipissing) moved for leave to introduce Bill C-364, to amend the Canada Pension Plan.

An hon. Member: Explain.

Mr. Blais: Mr. Speaker, the purpose of the bill is to amend the Canada Pension Plan and remove certain existing inequities. Under the present law, in order to obtain a disability pension one has to show absolute incapacity for any substantially gainful employment. This bill would change that definition and allow one to receive a pension even though one can do something useful.

Motion agreed to, bill read the first time and ordered to be printed.

● (1410)

Mr. Speaker: I wonder whether the House might consent to momentarily revert to motions as I understand the Minister of the Environment (Mrs. Sauvé) has a document she wishes to table pursuant to motions. Does the House agree?

Some hon. Members: Agreed.

* * *

ENVIRONMENTAL AFFAIRS

TABLING OF DEPARTMENTAL EVALUATION OF SYNCRUDE STUDY

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, I have a document I wish to table. It is the evaluation of the Department of the Environment on the Syncrude study.

Mason Jars

OCEAN DUMPING CONTROL ACT

MEASURE TO PROVIDE FOR CONTROL OF DUMPING SUBSTANCES INTO THE OCEAN AND TO ESTABLISH A BOARD OF REVIEW

Hon. Jeanne Sauvé (Minister of the Environment) moved for leave to introduce Bill C-37, to provide for the control of dumping of waste and other substances in the ocean.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CONSUMER AFFAIRS

SHORTAGE OF LIDS AND RINGS FOR MASON JARS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, I rise on a question of urgent and pressing necessity in accordance with the provisions of Standing Order No. 43. This pressing matter concerns the plight of an unprecedented number of Canadians who this year planted unusually large gardens or purchased large quantities of fresh fruits and vegetables from producers with plans to preserve the food for economic relief. These people were confronted with a crucial lack of lids and rings for the wide mouth reusable Mason jars used in homes across Canada for the preserving of fruits and vegetables. As a result, consumers were forced to buy new jars, complete with lids and rings, at considerable expense and a considerable wastage.

This year the western Canadian market was the most adversely affected. Until recently, this market has been dominated by cheaper imports from the United States. However, a reported shortage of plate steel used in the manufacturing of these lids—

Mr. Speaker: Order, please. The hon. member, as I am sure he is aware, is entitled to a very brief introduction of the nature of the subject he proposes to deal with in his motion pursuant to Standing Order 43. Perhaps the hon. member might be good enough to put his motion.

Mr. Whittaker: Thank you, Mr. Speaker. I move, seconded by the hon. member for Red Deer (Mr. Towers):

That in the opinion of the House the government should give immediate consideration to the undertaking of measures to alleviate the serious shortage of lids and rings for wide mouth Mason jars in an effort to protect Canadians struggling against inflation in this manner from this same frustrating obstacle next crop season.

Mr. Speaker: Frankly, I have reservations about the immediacy of the matter. However, the terms of the motion are sufficiently mixed that there may be an element of immediate urgency to the hon. member's motion. Accordingly, I will ask for the consent of the House. A motion proposed pursuant to Standing Order 43 cannot be debated without the consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Sauvé.]

Mr. Speaker: There not being unanimous consent, the motion cannot be debated at this time.

* * *

EXPLOSIVES ACT

AMENDMENTS TO PROVIDE GREATER CONTROL OVER THE PURCHASE, POSSESSION AND TRANSPORTATION OF EXPLOSIVES

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources) moved the first reading of Bill S-17 (from the Senate), to amend the Explosives Act.

Motion agreed to and bill read the first time.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2, 126, 131, 133, 141 (corrected), 145, 178, 195, 212, 225, 291, 328, 367, 384, 412, 419, 429, 431, 433, 434, 457, 458, 467, 509, 510, 520, 545, 575, 633, 639, 648, 649, 652, 654, 657, 661, 666, 667, 682, 772, 793, 799, 818 and 911.

If question Nos. 389 and 476 could be made orders for return, these returns would be tabled immediately.

Mr. Speaker, would you be so kind as to call starred questions Nos. 515 and 760?

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

[*Text*]

SEIZURE OF HEROIN—CHARGES

Question No. 2—**Mr. Reynolds:**

1. Will the Minister of Justice advise if any charges against any person are still before the courts as a result of the seizure of 20 pounds of heroin on June 15, 1973 on Highway 401 near the Vancouver-Burnaby border?

2. Will the Minister advise for what reason the charges against Hing Poy Wong of 1009 Hamilton, New Westminster, British Columbia, were dropped&

3. What did the government do with the 20 pounds of heroin seized?

Hon. Otto E. Lang (Minister of Justice): 1. Hing Pay Wong was charged with possession of heroin for the purpose of trafficking and a stay of proceedings was entered in respect of that charge on February 20th, 1974.

2. The charge against Hing Poy Wong was not dropped, but a stay of proceedings was entered, because evidence that would have come to light in the course of the prosecution would have seriously prejudiced a large international investigation into heroin trafficking which was then in progress. It was believed, therefore, that the public interest would best be served by entering a stay of proceedings in connection with the charge against Hing Poy Wong. The investigation has now been completed and arrests are

being made in various parts of the world including British Columbia. The charge against Hing Poy Wong is now being revived and will be proceeded with at the earliest possible opportunity.

3. The 20 lbs. of heroin seized is in the custody of the R.C.M. Police.

● (0000)

TREASURY BOARD—PERSONNEL IN RECEIPT OF REMUNERATION IN EXCESS OF $20,000

Question No. 126—**Mr. Herbert:**

How many public servants in the Treasury Board Secretariat received T4 slips for 1973 showing gross remuneration in excess of (a) $20,000 (b) $30,000 (c) $40,000?

Hon. Jean Chrétien (President of the Treasury Board): In so far as the Treasury Board Secretariat is concerned: (a) 184; (b) 16; (c) two.

DEPARTMENT OF MANPOWER AND IMMIGRATION—PERSONNEL IN RECEIPT OF REMUNERATION IN EXCESS OF $20,000

Question No. 131—**Mr. Herbert:**

How many public servants in the Department of Manpower and Immigration received T4 slips for 1973 showing gross remuneration in excess of (a) $20,000 (b) $30,000 (c) $40,000?

Hon. Robert K. Andras (Minister of Manpower and Immigration): (a) 207; (b) 15; (c) One.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—PERSONNEL IN RECEIPT OF REMUNERATION IN EXCESS OF $20,000

Question No. 133—**Mr. Herbert:**

How many public servants in the Department of Indian Affairs and Northern Development received T4 slips for 1973 showing gross remuneration in excess of (a) $20,000 (b) $30,000 (c) $40,000?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): (a) Over $20,000, 282; (b) Over $30,000, 11; (c) Over $40,000, One.

DEPARTMENT OF JUSTICE—PERSONNEL IN RECEIPT OF REMUNERATION IN EXCESS OF $20,000

Question No. 141—**Mr. Herbert:** (Corrected)

How many public servants in the Department of Justice received T4 slips for 1973 showing gross remuneration in excess of (a) $20,000 (b) $30,000 (c) $40,000?

Hon. Otto E. Lang (Minister of Justice): (a) 156; (b) 29; (c) Three.

DEPARTMENT OF COMMUNICATIONS—PERSONNEL IN RECEIPT OF REMUNERATION IN EXCESS OF $20,000

Question No. 145—**Mr. Herbert:**

How many public servants in the Department of Communications received T4 slips for 1973 showing gross remuneration in excess of (a) $20,000 (b) $30,000 (c) $40,000?

Hon. Gérard Pelletier (Minister of Communications): (a) 130; (b) 16; (c) None.

● (0000)

PERCENTAGE OF INDIAN STUDENTS IN SECONDARY SCHOOL

Question No. 178—**Mr. Orlikow:**

1. How does the percentage of Indian students beginning secondary schools compare with the percentage of the whole population beginning secondary schools?

2. How does the percentage of Indian students finishing and graduating from secondary schools compare with the percentage of the whole population finishing and graduating from secondary schools?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. The Grade 9 enrolment of registered Indian students as a percentage of the Grade 1-13 enrolment of registered Indian students is 6.7 per cent. The Grade 9 enrolment of Canadian students as a percentage of the Grade 1-13 enrolment of Canadian students is 9.2 per cent.

2. The enrolment of registered Indian students in the graduating classes of secondary schools as a percentage of the number of registered Indian students enrolled in Grades 9-13 is 11.51 per cent. The enrolment in the graduating classes of secondary schools in Canada as a percentage of the Canadian Grade 9-13 enrolment is 16.27 per cent.

NOTE: Statistics on secondary school graduates are not available.

GROWTH OF OFFICE SPACE IN GOVERNMENT DEPARTMENTS

Question No. 195—**Mr. Orlikow:**

1. In the past ten years, how much new office space, by square foot, have departments (department by department) increased their office space (a) in Ottawa (b) outside Ottawa?

2. Of this space, how much is in (a) buildings owned by the government (b) privately owned buildings?

3. Of the space in government owned buildings, what was the cost of building constructions per square foot, and what is the actual cost of maintenance per building per square foot?

4. Of the space occupied in rented buildings, what is the actual rental per square foot and what is the cost to the government of maintenance per square foot?

5. For what period is the government committed to remain and to pay rent in the buildings in which they have rented quarters?

6. Does the government assume financial responsibility for structural and decorating costs of rented space?

Hon. C. M. Drury (Minister of Public Works): The information is not available to provide an accurate answer to this question. The costs in manpower and time to undertake the very large amount of work which would be required to gather such detailed data as is obtainable for the period covered by the question, would be prohibitive.

TREATMENT AND REHABILITATION OF ALCOHOLICS

Question No. 212—**Mr. Howie:**

What assistance, if any, is (a) now offered (b) planned to aid the provinces in providing services to treat and rehabilitate those afflicted with alcoholism?

Hon. Marc Lalonde (Minister of National Health and Welfare): The federal government offers various forms of

aid to the provinces in providing services to treat and rehabilitate those afflicted with alcoholism: (a) Through the Non-Medical Use of Drugs Directorate of the Department of National Health and Welfare, the federal government supports preventive, treatment and rehabilitation activities concerned with alcohol abuse. This support is available for research, for funding of demonstration projects, as well as for information and education. Under the Canada Assistance Plan, the federal government shares in the costs to the provinces of providing assistance and welfare services to persons afflicted with alcoholism who are in need or likely to become in need if they do not receive such assistance. The Vocational Rehabilitation of Disabled Persons Act also provides for federal cost-sharing in provincial programs. Those afflicted with alcoholism may be recognized as disabled persons and may benefit from the services provided by the provinces under this program. Rehabilitation services may include counselling, assessment services of restoration, training and employment placement. In addition, National Welfare Grants offer assistance to public and private welfare agencies for short-term research, demonstration or other kinds of projects designed to test innovative approaches to social welfare problems or to research problem areas of significance in the social welfare field. Finally, the necessary treatment provided to those afflicted with alcoholism by medical practitioners and hospital services are cost-shared by the federal government under the Hospital Insurance and Diagnostic Services Act and the Medical Care Act. (b) The problems of persons afflicted with alcoholism are receiving on-going consideration. The federal and provincial governments are examining the whole question of rehabilitation in the context of the overall review of Canada's social security system. Services to alcoholics is one area of rehabilitation being studied. Preventive and treatment programs are likewise under study. It is anticipated that the review will be completed by the spring of 1975.

POST OFFICE—NORTHERN FREDERICTON, NEW BRUNSWICK

Question No. 225—**Mr. Howie:**

1. On what date will tenders be called for the planned post office in Northern Fredericton, New Brunswick?

2. On what date will the new postal walks for door to door mail delivery be instituted in Fredericton, New Brunswick?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Public Works and Post Office as follows: 1. Subject to confirmation of Canada Post Office priorities, the Department of Public Works tentatively plans to call tenders for construction of a postal station in Northern Fredericton, N.B., in eary August 1975.

2. No date has been set. New postal walks will be placed in operation in four to six weeks providing there is no appeal from pending competition for letter carriers.

● (0000)

RATES OF PAY ON A REGIONAL BASIS

Question No. 291—**Mr. Coates:**

1. On what date was a decision taken to determine rates of pay for various classifications of public servants on a regional basis?

2. On what dates were zones established within the various regions?

[Mr. Lalonde.]

3. How often are determinations made by the Public Service as to the rates of pay for similar classifications of employees who are gainfully employed outside the Public Service?

4. In each of the zones and regions which have regional pay rates, what is the rate presently available to a public servant in receipt of regional pay to a similar classification of employee outside the Public Service?

Hon. Jean Chrétien (President of the Treasury Board): 1. June 29, 1922. The Civil Service Act of 1918 provided the Governor in Council with authority to exempt positions in whole or in part from the Act and to prescribe regulations where the Civil Service Commission decided that it was not practical nor in the public interest for the act to apply. Order in Council, P.C. 1053 of June 29, 1922, exempted from the Civil Service Act 144 classes of trades, unskilled and semi-skilled labour, and domestic service occupations under this enabling provision. The employees so exempted were paid rates comparable with those prevailing in the locality in which they were employed.

2. September 27, 1968. Pay zones were defined as such for the first time and established as part of the initial collective agreement for the General Labour and Trades Group which was signed by the Public Service Alliance of Canada and the Treasury Board on September 27, 1968. These pay zones replaced the prevailing rate pay system which had provided rates for more than 350 localities.

3. The federal government, as employer, primarily utilizes Pay Research Bureau (Public Service Staff Relations Board) and Labour Canada data on rates paid outside the public service in the determination of rates of pay of public service employees. The PRB surveys are conducted periodically at the request of the parties to collective bargaining to meet their needs, and the Labour Canada survey is conducted annually.

4. It is the policy of the federal government, as employer, to pay rates of pay which are comparable with those paid for similar work performed outside the public service. Through the process of collective bargaining the employer negotiates new public service rates of pay which are comparable to those prevailing in the region or zone at the time of negotiations together with a further pay adjustment for a later date based on expected rate changes for the classification or group.

CANADIAN DIPLOMATIC MISSIONS AND EMBASSIES—ENTERTAINMENT COSTS

Question No. 328—**Mr. Coates:**

1. What was the cost of entertainment provided Canadian Diplomat Missions and Embassies in each fiscal year 1973-74, 1968-69 and 1963-64?

2. What sum is requested as a forecast expenditure for entertainment provided by Canadian Diplomat Missions and Embassies in the fiscal year 1974-75?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of External Affairs is concerned: 1. 1973-74, $1,010,000 (estimated); 1968-69, $764,-940.36; 1963-64, in accordance with government policy on the destruction of public records, the files containing the requested information have been destroyed.

2. 1974-75 $1,070,000 (projected).

In so far as the Department of Industry, Trade and Commerce is concerned: 1. During 1973/74 officers overseas were reimbursed for direct entertainment costs totalling $545,990. No figures are available for 1968/69 and 1963/64.

2. For 1974/75, the forecasted expenditure is $580,000.

In so far as the Department of Manpower and Immigration is concerned: 1. 1973-74, $117,517; 1968-69, $35,309; 1963-64, The historical records required to reply to this fiscal year have been destroyed under authority of T.B. Minute 615 320 of September 11, 1963 and Order in Council P.C. 1966-1749.

2. $94,000.

CHILEAN IMMIGRATION

Question No. 367—**Mr. Dick:**

1. (a) How many persons have immigrated to Canada from Chile since September 11, 1973 (b) what is the name of each such immigrant and in what country did he or she live during 1969 and in what country was he or she born?

2. (a) Other than the immigrants who have landed in Canada in answer to Part 1, how many persons presently in Chile have been granted visas to enter Canada as immigrants but have not as yet arrived (b) what are the names of each such persons and in what country did he or she live during 1969 and in what country was he or she born?

3. Are there any security reasons, or otherwise, which would make it inapporpriate or improper to supply the names and, if so, will the government answer the questions by granting each person a number and supplying the appropriate information beside that number?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. (a) between September 11, 1973 and September 16, 1974, 1,098 persons whose country of last permanent residence was Chile have entered Canada; (b) it is not considered to be in the public interest to divulge the names of these persons. Particulars concerning their country of birth have not yet been tabulated. Particulars of their country of residence during 1969 can only be gathered by a physical search of their applications. These applications remain at the posts abroad and the Department does not have the resources available to make this search.

2. (a) There are 1,599 visas that have been issued to persons whose country of last permanent residence was Chile that have not yet been used; (b) It is not considered to be in the public interest to divulge the names of these persons. Particulars of their country of birth and country of residence in 1969 can only be gathered by a physical search of their applications. These applications are at posts abroad and the Department does not have the resources available to make this search.

3. As explained above, it is not considered to be in the public interest to divulge the names of these persons nor is information presently available as to countries of birth or of residence in 1969.

Order Paper Questions

MEDIUM SECURITY INSTITUTION, STURGEON, ALBERTA

Question No. 384—**Mr. Elzinga:**

1. On what date is the construction of the Medium Security Correctional Institution, S.W. 21-54-23, W4, to begin in the Municipality of Sturgeon, Alberta?

2. What is the proposed cost of the Correctional Institution?

Hon. C. M. Drury (Minister of Public Works): 1. The present schedule calls for construction of the medium security institution in the municipality of Sturgeon, Alberta to begin in January 1975.

2. It is not customary to announce estimated costs until tenders have been called and contracts awarded.

● (0000)

UIC-NUMBER OF REFEREES AND *PER DIEM* ALLOWANCE

Question No. 412—**Mr. Rodriguez:**

1. How many referees are attached to the Unemployment Insurance Commission?

2. Has the *per diem* allowance for members of the Board of Referees of the UIC been raised recently and, if so (a) what was the *per diem* allowance prior to the increase (b) what is the present allowance?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. On October 24, 1974 there were: Chairmen, 219; Representatives of employers, 440; Representatives of employees, 426; total, 1,085. These figures are subject to fluctuation due to retirement, removal, etc.

2. The *per diem* allowance for members of Board of Referees is:

		as of August 1, 1974 $	before August 1, 1974 $
Chairmen:	Full days	100	85
	Half days	60	50
Members:	Full days	80	65
	Half days	50	40

POSTAGE STAMP TO COMMEMORATE THE PRESBYTERIAN CHURCH FOUNDING IN CANADA

Question No. 419—**Mr. Howie:**

Will the government issue a special postage stamp to commemorate the 100th anniversary of the founding of the Presbyterian Church in Canada?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): On May 30, 1975, the Post Office will issue a stamp honouring Dr. John Cook, prime founder of the Presbyterian Church in Canada.

CANADA COUNCIL GRANT FOR PRODUCTION OF FILM "VOODOO"

Question No. 429—**Mr. Schumacher:**

1. Did the Canada Council advance (a) a grant (b) a loan (c) any financial assistance towards the production and costs of a film called "Voodoo" made by Calgary film makers?

2. In what amount and for what specific reasons was assistance given in this regard?

Order Paper Questions

3. Did the Canada Council specify any standards or limitations to be observed in the making of this particular film and (a) if so, what were they (b) if not, for what reason?

4. On what basis was the granting of assistance authorized?

5. Who gave the authorization and to whom was assistance given?

6. Has any follow-up observance on content and result been done on this particular film and, if so, by whom?

7. Have any investigations into the (a) subject-matter (b) presentation (c) acceptance by the public been done and (i) if so, what are the results (ii) if not, are any proposed?

8. Is it intended to continue to finance such ventures and, if so, what research is done on receipt of applications to justify authorization of funding?

9. Is any censoring done by, or on behalf of, the Canada Council (a) during the making of such films (b) before the release of such films and (i) if so, by whom and of what nature (ii) if not, for what reason?

Hon. James Hugh Faulkner (Secretary of State): 1. Yes. A grant.

2. $1,855 to complete the production of the film.

3. (a) No. (b) The council accepted the film project as submitted.

4. On the basis of the applicants' professionalism and artistic merit and of the value of their project, as assessed by a jury of five Canadian film experts: Chalmers Adams, producer, Clearwater Films, Toronto; Werner Aellen, producer, Image Flow Centre, Vancouver; Michael Snow, artist and filmmaker, Toronto; Robert Frank, independent filmmaker, Cape Breton; Roger Frappier, independent filmmaker, Montreal. The jury examined the scenario and shooting script of the film and was shown those parts of the film which were available at the time of application, as well as an earlier film by the same group.

5. The jury's unanimous recommendation was approved by the Canada Council, and the grant was given to Andrew Jaremko, who made the film in collaboration with Gordon Geoffrey, David Fullerton and Roland Kieken.

6. Yes. The Canada Council has received a detailed account of costs and will shortly receive a print of the film for viewing.

7. (a) and (b) The subject matter and presentation were examined by the jury at the time of application. (c) No formal investigation is contemplated. However, in accordance with its usual practice, the Council will take note of public reactions to the film.

8. Yes, the council intends to continue its support to film production. All applications are screened for eligibility by the council staff, then assessed by a jury of professional Canadian filmmakers and artists.

9. (a) and (b) It is not the council's policy to censor works of art. However, all films which go into commercial distribution are subject to the censorship regulations of the provincial authorities.

UIC—NUMBER EMPLOYED IN SX AND PM CATEGORIES

Question No. 431—Mr. Ellis:

What was the number of (a) positions (b) staff employed in categories SX3, SX2, SX1, PM7, PM6, PM5, PM4, PM3, PM2 and PM1 in the Unemployment Insurance Commission on May 1, 1967, May 1, 1971 and May 1, 1974 and what positions in those categories are proposed for the balance of 1974?

Hon. Robert K. Andras (Minister of Manpower and Immigration):

	May 1, 1971		May 1, 1974	
Group	No. of Positions	Positions Occupied	No. of Positions	Positions Occupied
SX-3	1	1	3	3
SX-2	2	1	3	2
SX-1	4	4	15	11
PM-7	13	14	24	16
PM-6	24	15	52	47
PM-5	53	44	77	62
PM-4	117	95	123	81
PM-3	188	154	337	180
PM-2	775	631	1,481	866
PM-1	339	278	1,227	1,049

With regard to proposals for the balance of 1974, PM-2's may be reduced by approximately 40 and PM-3's will be increased by approximately 40 because of possible reclassifications.

We do not have statistics which would enable us to answer the part of the question concerning May 1, 1967. Statistics Canada and Treasury Board were contacted but were unable to assist us in providing statistics for 1967.

● (0000)

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS—NUMBER OF EMPLOYEES IN SX AND PM CATEGORIES

Question No. 433—Mr. Ellis:

What was the number of (a) positions (b) staff employed in categories SX3, SX2, SX1, PM7, PM6, PM5, PM4, PM3, PM2 and PM1 in the Department of Consumer and Corporate Affairs on May 1, 1967, May 1, 1971 and May 1, 1974 and what positions in those categories are proposed for the balance of 1974?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs):

	May 1967		May 1971		May 1974		(Proposed)
	Position	Staff	Position	Staff	Position	Staff	Positions
SX-3	Department not formed until December 1967.		Not readily available.	2	3[1]	3[1]	3[1]
SX-2				2	9	7	9
SX-1				4	17	15	19
PM-7				3	19	11	19
PM-6				10	24	14	24
PM-5				22	67	32	68
PM-4				33	96	41	97
PM-3				14	113	45	116
PM-2				25	65	55	71
PM-1				6	18	12	18

[1] Does not include 2 Order-in-Council appointments at the SX-3 level, 1 at the SX-2 level, and 1 at the SX-1.

[Mr. Schumacher.]

CANADA MANPOWER CENTRE PROGRAM—EMPLOYEES PAID AT HIGHER RATE THAN POSITION HELD

Question No. 434—**Mr. Ellis:**

As of May 1, 1974, what is the number of staff in the (a) Unemployment Insurance Commission (b) Department of Consumer and Corporate Affairs (c) Department of Manpower and Immigration responsible for the Canada Manpower Centre Program being paid at a rate higher than the position they are covering off?

Hon. Mitchell Sharp (President of the Privy Council): (a) Eight; (b) None; (c) Seven.

NATIONAL HARBOURS BOARD REPORT, 1973—LACK OF PHOTOGRAPHS

Question No. 457—**Mr. Forrestall:**

1. With respect to the Annual Report of the National Harbours Board for 1973, for what reason were no photographs included in this report that illustrate the container facilities in the Port of Halifax?

2. Do NHB photographic sources or files contain any photographs of these container facilities and, if not, will they be up-dated to include developments achieved in the area of containerization made in the Port of Halifax in the past four years?

Hon. Jean Marchand (Minister of Transport): 1. The theme for its 1973 Annual Report was "people" as evidenced by the photographs. Inclusion of the Port of Halifax container facilities would, therefore, have been inappropriate.

2. Files containing photographs of port facilities are maintained and up-dated regularly. These files include photographs of the facilities at all ports under its jurisdiction including the Port of Halifax.

NEWSPRINT DISTRIBUTION STUDY

Question No. 458—**Mr. Forrestall:**

1. Did Newsprint Distribution Research retain a company in Atlanta, Georgia which conducted computer compilations which could have been done in Canada by governmental facilities and, if so (a) what did this service cost (b) for what reason was the work not done in Canada?

2. Has the result of the investigation been negative?

3. Has the consulting firm of Stevenson and Kellogg Ltd. been retained by the Department of Industry, Trade and Commerce or private industry to go into the feasibility of the study undertaken by Newsprint Distribution Research with Department financing and, if so (a) what were their findings (b) on what date will copies of the report be made public?

4. Will newsprint companies that participated in the investigation be asked to contribute to the outlay?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Newsprint Distribution Research contracted the services of one of the foremost United States rail transportation and warehousing research groups to assist in the identification of distribution alternatives for newsprint which would improve the Canadian industry's United States marketing efforts: (a) The consultants fee was included in the total cost of the Newsprint Distribution Research (NDR) sector of the newsprint distribution study undertaken jointly by NDR and the Canadian National Railways; (b) In the opinion of NDR the high degree of experience required in the field of rail transportation, warehousing and cartage, in the United States where much of the work was to be done, was not available in Canada at the time the study was undertaken.

2. Yes, within the terms of reference of the study. Although line-haul benefits were uncovered, using the newsprint train concept, these were offset by increased costs for warehousing, truck delivery and inventory carrying charges at both producer's mill and United States warehouse.

3. Stevenson and Kellogg Limited were engaged by NDR to provide an independent evaluation of NDR operational methods. It is understood that NDR and CN intend to make the report public by the end of November.

4. The newsprint companies comprising NDR paid their share of the cost of the investigation through their contribution to NDR.

● (0000)

PORTRAIT OF REIGNING MONARCH ON STAMPS

Question No. 467—**Mr. Forrestall:**

Is it the policy of the government to ensure that the portrait of the reigning monarch will always be employed on the low-value definitive used most frequently, namely the stamp representing the value of a first class domestic letter of one ounce or less?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): The government is not planning to alter the traditional practice of portraying the reigning monarch on the definitive stamp which represents the basic domestic letter rate.

GRAIN DEMURRAGE CHARGES, 1971-74

Question No. 509—**Mr. Hnatyshyn:**

1. What were the grain demurrage charges for each year 1971 to October 15, 1974?

2. For these years, what were the grain demurrage charges for (a) West Coast Ports (b) Great Lakes Ports?

Hon. Otto E. Lang (Minister of Justice): 1. Demurrage charges paid (not incurred) by the Canadian Wheat Board are recorded only on a crop year basis ending July 31. The following demurrage charges were paid on wheat and barley: Crop year, 1971-72, $1,871,064.00; 1972-73, $2,397,-636.00; 1973-74, $1,484,883.00; (to October 17, 1974), 1974-75, $1,593,639.00.

2. (a) West Coast Ports: Crop year, 1971-72, $1,834,768.00; 1972-73, $2,330,614.00; 1973-74, $1,464,639.00; (to October 17, 1974) 1974-75, $1,485,226.00; (b) Great Lakes Ports: Crop year, 1971-72, Nil; 1972-73, Nil; 1973-74, Nil; (to October 17, 1974), 1974-75, Nil.

Order Paper Questions

FOREIGN SHIPS IN VANCOUVER HARBOUR DURING WEST COAST GRAIN HANDLERS STRIKE

Question No. 510—**Mr. Masniuk:**

1. How many foreign ships were tied up in the Vancouver Harbour during the West Coast Grain Handlers strike?

2. What was the cost per ship, per day, to the Canadian Wheat Board while these ships were tied up?

Hon. Otto E. Lang (Minister of Justice): 1. The Canadian Wheat Board advise the average number of vessels waiting per day during the recent Vancouver grain handlers work stoppage was 15.

2. The Wheat Board is unable to estimate the cost per ship per day. Charges vary per vessel and are related to the size of the vessel, the terms of the charter party, etc.

*INCREASE IN TOTAL COST FOR GOODS AND SERVICES TO THE DEPARTMENT OF NATIONAL DEFENCE

Question No. 515—**Mr. Forrestall:**

What is the real increase in total cost for goods and services to the Department of National Defence in the last measurable 12 month period over the corresponding previous 12 month period?

Hon. James Richardson (Minister of National Defence): The real increase in the total cost of goods and services (exclusive of personnel costs and transfer payments) supplied to the Department of National Defence during the 12 months ending March 31, 1974, compared with the corresponding 12 months period ending March 31, 1973 was $40,876,000.

● (0000)

AVERAGE INCOME TAX PAID BY SUBSIDIARIES IN CANADA IN SALE OF JAPANESE GOODS

Question No. 520—**Mr. Kaplan:**

What is the average income tax paid by subsidiaries in Canada, engaged in the sale of Japanese-manufactured goods, wholly owned by Japanese interests, and in relation to what average gross sales is such tax payable?

Hon. Ron Basford (Minister of National Revenue): In so far as the Department of National Revenue, Taxation, is concerned: Information is not available because our administrative computer system for corporations does not contain the necessary information to provide an answer to this question.

DOT—BILINGUAL EQUIPMENT MANUALS AND BILINGUAL DESIGNATIONS ON EQUIPMENT

Question No. 545—**Mr. McKenzie:**

1. Will the schematic drawings and related documents used by DOT electronic technicians and maintenance workers on the Joint Enroute and Terminal System (JETS equipment) at the Mirabel Airport in Quebec be translated into the French language and, if so, what will be the total cost to translate?

2. Will any instrument or control switches on the JETS equipment have to have designations in both French and English?

3. What will be the total cost if controls are also to have French markings, such as off and on in both languages on a control switch?

4. Is there room on all the control switches for both languages and, if not, how will this problem be overcome?

[Mr. Lang.]

5. How many DOT airport control towers across Canada will have to have their technical or instructional documents or schematic drawings translated into French and what will be the total cost?

Hon. Jean Marchand (Minister of Transport): 1. The JETS installation is planned specifically for Montreal Area Control Centre at Dorval. However, all manufacturer's manuals for the JETS installation for Montreal will be translated into French at an estimated cost of $1,529,625.

2. No.

3. Not applicable.

4. No. Any such problems will be handled by cross-referencing in the manuals of switch designators.

5. The final number of control towers requiring their technical documents used by electronic maintenance personnel translated into French will depend on the application of the Official Languages Act at these locations. The total cost has not been estimated.

AMENDMENT TO JUDGES ACT—PROVISION FOR ADDITIONAL JUDGES TO COURT OF APPEAL, NEWFOUNDLAND

Question No. 575—**Mr. Marshall:**

1. Has the Minister of Justice in the Province of Newfoundland requested the federal Minister to introduce the required amendment to the Judges Act to provide for the appointment of three additional Judges to the Court of Appeal?

2. Will legislation be introduced during the 30th Parliament and, if not, for what reason?

Hon. Otto E. Lang (Minister of Justice): 1. yes.

2. Yes.

NATURE OF FEDERAL SUBSIDY TO THE PORT OF HALIFAX

Question No. 633—**Mr. Forrestall:**

What is the nature of the federal subsidy of $1 million in 1973 and $.5 million in 1974 extended to the Port of Halifax, in precise terms?

Hon. Jean Marchand (Minister of Transport): I am informed by the National Harbours Board that amounts of $1 million in respect of 1973 and $.5 million for 1974 were included in the estimates for the Port of Halifax in accordance with section 27 of the National Harbours Board Act. These were actual cash requirements to pay salaries, operation, maintenance and grants in lieu of taxes to the municipality.

● (0000)

CANADA COUNCIL GRANTS, 1973

Question No. 639—**Mr. Reynolds:**

1. What was the total amount of Canada Council grants for the year 1973?

2. How much of this money was received by (a) British Columbia (b) Alberta (c) Saskatchewan (d) Manitoba (e) Ontario (f) Quebec (g) New Brunswick (h) Nova Scotia (i) Newfoundlland (j) Prince Edward Island (k) Yukon (l) Northwest Territories?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canada Council as follows: 1. $39,762,000.

2. (a) $3,801,000; (b) $2,056,000; (c) $557,000; (d) $1,653,000; (e) $14,356,000; (f) $10,185,000; (g) $562,000; (h) $1,180,000; (i) $276,000; (j) $255,000; (k) and (l) $40,000. In addi-

tion, $4,821,000 have been awarded to organizations whose activities are national in scope.

DEPARTMENT OF COMMUNICATIONS—CONTRACTS WITH LAPOINTE TRANSPORT LTD.

Question No. 648—Mr. Grafftey:

1. What transport contracts have been awarded by the Department of Communications to Lapointe Transport Ltd., 105 Industrial Blvd., Longueuil, Quebec, since January 1, 1972?

2. What was the amount of the contract in each case?

3. Were public tenders called in each case and, if not, for what reason?

Hon. Gérard Pelletier (Minister of Communications): 1. None.

2. Not applicable.

3. Not applicable.

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS—CONTRACTS WITH LAPOINTE TRANSPORT LTD.

Question No. 649—Mr. Grafftey:

1. What transport contracts have been awarded by the Department of Consumer and Corporate Affairs to Lapointe Transport Ltd., 105 Industriel Blvd., Longueuil, Quebec, since January 1, 1972?

2. What was the amount of the contract in each case?

3. Were public tenders called in each case and, if not, for what reason?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): 1. None.

2. Not applicable.

3. Not applicable.

POST OFFICE DEPARTMENT—CONTRACT WITH LAPOINTE TRANSPORT LTD.

Question No. 652—Mr. Grafftey:

1. What transport contracts have been awarded by the Post Office Department to Lapointe Transport Ltd., 105 Industriel Blvd., Longueuil, Quebec, since January 1, 1972?

2. What was the amount of the contract in each case?

3. Were public tenders called in each case and, if not, for what reason?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): 1. None.

2. Not applicable.

3. Not applicable.

● (0000)

DEPARTMENT OF ENERGY, MINES AND RESOURCES—CONTRACTS WITH LAPOINTE TRANSPORT LTD.

Question No. 654—Mr. Grafftey:

1. What transport contracts have been awarded by the Department of Energy, Mines and Resources to Lapointe Transport Ltd., 105 Industriel Blvd., Longueuil, Quebec, since January 1, 1972?

2. What was the amount of the contract in each case?

3. Were public tenders called in each case and, if not, for what reason?

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): 1. None.

2. Not applicable.

3. Not applicable.

DEPARTMENT OF JUSTICE—CONTRACTS WITH LAPOINTE TRANSPORT LTD.

Question No. 657—Mr. Grafftey:

1. What transport contracts have been awarded by the Department of Justice to Lapointe Transport Ltd., 105 Industriel Blvd., Longueuil, Quebec, since January 1, 1972?

2. What was the amount of the contract in each case?

3. Were public tenders called in each case and, if not, for what reason?

Hon. Otto E. Lang (Minister of Justice): 1. None.

2. Not applicable.

3. Not applicable.

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE—CONTRACTS WITH LAPOINTE TRANSPORT LTD.

Question No. 661—Mr. Grafftey:

1. What transport contracts have been awarded by the Department of Industry, Trade and Commerce to Lapointe Transport Ltd., 105 Industriel Blvd., Longueuil, Quebec, since January 1, 1972?

2. What was the amount of the contract in each case?

3. Were public tenders called in each case and, if not, for what reason?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. None.

2. Not applicable.

3. Not applicable.

TREASURY BOARD—CONTRACTS WITH LAPOINTE TRANSPORT LTD.

Question No. 666—Mr. Grafftey:

1. What transport contracts have been awarded by the Treasury Board to Lapointe Transport Ltd., 105 Industriel Blvd., Longueuil, Quebec, since January 1, 1972?

2. What was the amount of the contract in each case?

3. Were public tenders called in each case and, if not, for what reason?

Hon. Jean Chrétien (President of the Treasury Board): 1. None.

2. Not applicable.

3. Not applicable.

● (0000)

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—CONTRACTS WITH LAPOINTE TRANSPORT LTD.

Question No. 667—Mr. Grafftey:

1. What transport contracts have been awarded by the Department of Indian Affairs and Northern Development to Lapointe Transport Ltd., 105 Industriel Blvd., Longueuil, Quebec, since January 1, 1972?

2. What was the amount of the contract in each case?

3. Were public tenders called in each case and, if not, for what reason?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): This Department has not entered into any contracts with Lapointe Transport Limited.

SUBSCRIPTION TO *HANSARD*

Question No. 682—**Mr. Mitges:**

1. What is the total number of subscriptions to *Hansard* and, of this number, how many are printed in (a) English (b) French?

2. What is the breakdown, by province, of the total number of subscriptions?

3. How many subscriptions are (a) paid for (b) complimentary?

Hon. John C. Munro (Minister of Labour): In so far as Information Canada is concerned, the answers are as follows: 1. 8136 (a) 7,062; (b) 1,074.

2. Alberta, 461; British Columbia, 581; Manitoba, 355; New Brunswick, 189; Nova Scotia, 306; Prince Edward Island, 51; Saskatchewan, 245; Ontario, 4565; Quebec, 1132; Newfoundland, 65; Others, 186; total 8,136.

3. (a) 6,188; (b) 1,948.

*STRENGTH OF ARMED FORCES

Question No. 760—**Mr. Diefenbaker:**

1. What is the total strength of the Armed Forces?

2. How many are engaged in office or administrative duties?

3. How many hold the rank of corporal?

Hon. James Richardson (Minister of National Defence): The answer is as follows: 1. The strength of the Canadian Armed Forces as of October 31, 1974 was 78,204.

2. Approximately 60 per cent of the Armed Forces are engaged either full time or part time in office or administrative duties in such functions as training, maintenance, administration and supply. Some of these personnel, however, also perform operational duties.

3. As of October 31, 1974 there were 10,528 members of the Armed Forces holding the rank of Master Corporal, which is a command and supervisory rank. As of the same date there were 21,592 personnel holding the rank of corporal. Since 1966 promotion to the rank of corporal has reflected competence in a trade and length of service, and this rank does not carry command or supervisory responsibilities.

LAWYERS AND LAW FIRMS RETAINED BY GOVERNMENT IN CONSTITUENCY OF VICTORIA, B.C.

Question No. 772—**Mr. McKinnon:**

What were the names and addresses of all lawyers and law firms in the constituency of Victoria, British Columbia, who performed services for the government in 1973 and what was the total amount of money paid to each?

Hon. Otto E. Lang (Minister of Justice): In so far as the Department of Justice is concerned: Branson, C.O.D., $41,093.93; Cox, Kenneth B., $5,295.47; Hutchison, J.M., $128.50; Hutchison, R.B., $1,167.01; Pearlman & Lindholm, *; Stewart, Ian H., $1,862.47; Sullivan, Smith & Bigelow, $1,645.70; Taylor, Rodney, $17,630.25.

*Work assigned during the period in question but no accounts received during this period.

BOOKLETS ON HOW PARLIAMENT WORKS

Question No. 793—**Mr. Hnatyshyn:**

Is the government giving any consideration to preparing a short, easy-to-understand paper on "How Parliament Works" which can be used by Members of all parties to distribute in response to requests from students?

Hon. Mitchell Sharp (President of the Privy Council): Booklets called "Canada's Parliament", written by George Bain, and "Le Parlement du Canada", written by Jean-Charles Bonenfant, were published by Information Canada in 1972 and are available both from ordinary bookstores and from Information Canada. These publications were intended to meet the need for simple, readable introductory accounts of the workings of Parliament.

NATIONAL RESEARCH COUNCIL PERSONNEL

Question No. 799—**Mr. Stevens:**

1. As of March 31 in each year 1968, 1970, 1972 and 1974 (a) how many were employed by the National Research Council (b) what would have been their aggregate salaries and if all were employed for a full year (c) how many had salary levels of (i) $20,000 or more (ii) $35,000 or more (iii) $50,000 or more?

2. What was the salary or the salary range for each of the five highest paid employees of the Council?

Hon. C. M. Drury (Minister of State for Science and Technology): In so far as the National Research Council of Canada is concerned, the answer is as follows:

1.		1968	1970	1972	1974
(a)		3,452	3,285	3,394	3,431
(b)		$28,722,556	$32,611,496	$39,302,554	$45,585,784
(c)	(i)	75	146	294	494
	(ii)	—	1	1	5
	(iii)	—	—	—	—

2.				
	1—$29,000–31,000	1—$35,000–39,000	1—$40,000–46,000	1—$42,000–49,500
	4—$21,000–28,000	4—$24,000–30,000	4—$28,000–35,000	4—$30,250–38,250
	5	5	5	5

CANADIAN PATENTS AND DEVELOPMENT LTD., PERSONNEL AND SALARIES

Question No. 818—**Mr. Stevens:**

1. As of March 31 in each year 1968, 1970, 1972 and 1974 (a) how many were employed by Canadian Patents and Development Ltd. (b) what would have been their aggregate salaries if all were employed for a full year (c) how many had salary levels of (i) $20,000 or more (ii) $35,000 or more (iii) $50,000 or more?

2. What was the salary or the salary range for each of the five highest paid employees of the Company?

Hon. C. M. Drury (Minister of State for Science and Technology): In so far as Canadian Patents & Development Limited is concerned:

1.		1968	1970	1972	1974
(a)		21	24	25	24
(b)		$190,892	$245,623	$293,584	$324,086
(c)	(i)	1	2	2	4
	(ii)	Nil	Nil	Nil	Nil
	(iii)	Nil	Nil	Nil	Nil

2.	1968	1970	1972	1974
	$	$	$	$
1.	22,850–25,100	25,000–28,500	27,500–31,500	30,500–34,500
2.	15,870–19,470	16,750–20,950	18,470–23,090	21,750–26,860
3.	12,600–15,600	13,300–16,300	14,800–18,160	17,300–21,200
4.	12,600–15,600	13,300–16,300	14,800–18,160	17,300–21,200
5.	12,600–15,600	13,300–16,300	14,800–18,160	17,300–21,200

All employees of Canadian Patents and Development Limited are on the staff of the National Research Council of Canada and seconded to the company.

WITHDRAWAL OF QUESTION No. 67

Question No. 911—**Mr. Cossitt:**

1. What is the reason that the answer to Question No. 67 asking for certain details about the use of the National Conference Centre by the Liberal Party was suddenly withdrawn on Wednesday, November 20, 1974 after the answer had been prepared and after the Parliamentary Secretary to the President of the Privy Council had announced in the House that the Question would be answered as of that date?

2. What is the identity of all persons who asked for withdrawal, gave instructions for withdrawal or had anything whatsoever to do with withdrawal of the answer to this question?

3. Will Question No. 67 be answered and on what date?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. The answer was withdrawn because it appeared to be incorrect as was question No. 389, at the same time for the same reason.

2. Mr. John Reid, M.P., Parliamentary Secretary to President of the Privy Council.

3. As soon as the answer is satisfactory.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

INSTALLATION OF SWITCHING EQUIPMENT IN BELL TELEPHONE BUILDING, SCARBOROUGH, ONTARIO

Question No. 389—**Mr. Broadbent:**

1. Is the Canadian Overseas Telecommunication Corporation currently installing, or has it recently installed, switching equipment for overseas calls in the Bell Canada building at 865 Pharmacy Avenue in Scarborough, Ontario?

2. What companies bid for the contract?

3. To what company was the contract awarded?

4. What are the terms of the contract?

5. Is the contract on a cost plus basis or a firm bid and if a firm bid, how much is for equipment and how much is for labour?

Return tabled.

DEPARTMENT OF TRANSPORT—EASTERN ARTIC RESUPPLY OPERATIONS

Question No. 476—**Mr. Forrestall:**

For each year since 1963 with respect to the Eastern Arctic annual Department of Transport resupply operations what was (a) the number of vessels involved in each year (b) the port of origin in each year (c) the percentage of cargo moved in vessels registered in (i) Canada (ii) the Commonwealth (iii) other countries (d) the percentage of cargo moved in vessels constructed in (i) Canada (ii) the Commonwealth (iii) other countries?

Return tabled.

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL—GOVERNMENT FORECAST OF RESERVES USED AS BASIS OF POLICIES—GOVERNMENT POSITION ON GUARANTEEING SUPPLY TO EASTERN PROVINCES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. It arises from the forecast made by the National Energy Board with regard to the producibility of oil in Canada in the next eight to ten years in relation to the projected demand. I should like to ask whether government policies in relation to oil and the positions the government has taken during the past year have been based upon similar forecasts; in other words, whether, for these purposes, the predictions made by the

department are substantially the same as those of the National Energy Board.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Subject to confirmation, I think I can say that the department's estimates with respect to reserves have been the same as those of the National Energy Board, both in the orange report prepared prior to December, 1972, and the report tabled on Friday night. The difference has arisen with respect to the question of producibility—the rate at which those reserves can be made available. After a year of full production in the major producing areas, the conclusion has been reached that the anticipated rate of producibility was overstated. That is the reason for the rather more pessimistic view taken recently.

Mr. Stanfield: Since the department has been somewhat more optimistic than the National Energy Board in its forecasts of producibility in the next few years, does the minister contemplate abandoning the stated policy designed to guarantee security of supply to the eastern provinces having regard to the fact that the National Energy Board envisages only 250,000 barrels a day going to the east—scarcely a quarter of the present market there?

● (1420)

Mr. Macdonald (Rosedale): Mr. Speaker, that statement is, of course, always made within the context of Canadian supplies being available, and in particular additional supplies being developed in Canada on the frontier, either offshore or in the Arctic. It does, of course, remain our objective to move towards self-sufficiency, although the difficulties in this, given the environment in which we are operating both in the north and on the east coast, should not be underrated.

OIL—JUSTIFICATION FOR PRIME MINISTER'S STATEMENT CONCERNING ABANDONMENT OF OTTAWA VALLEY LINE

Hon. Robert L. Stanfield (Leader of the Opposition): A final supplementary question for the Prime Minister, who on December 6, 1973 made a statement which seemed to be in no way conditional. As reported at page 8478 of *Hansard* the Prime Minister said:

> The new policy will abolish the "Ottawa Valley Line". The Canadian market for oil will no longer be divided in two, one for domestically produced oil and another for imported oil. It will thus be a "one-Canada", not a "two-Canada" oil policy. The western provinces will have guaranteed outlet for increased production; and the eastern provinces will be guaranteed security of supply.

May I ask the Prime Minister how he justifies such a statement as that in view of the answers the Minister of Energy, Mines and Resources has just given to the two preceding questions?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Energy, Mines and Resources has just indicated in his reply that the policy was subject to the oil being there. The policy remains the same. If, of course, in a certain number of years there is less oil, we shall have to share it differently.

[Mr. Stanfield.]

FINANCE

REQUEST FOR WITHDRAWAL OF PROVISIONS RELATING TO OIL SANDS FROM BILL C-32

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, still on the subject of the importance of guaranteeing supply of oil, I should like to ask a question of the Minister of Finance based on the report of the National Energy Board put out last Friday in which it was stated—I am quoting—that "the rate of oil sands plant construction will be clearly influenced" by points inclusive of "incentives offered by provincial and federal governments in terms of taxation".

In view of the fact that Bill C-32, which is before parliament at the present time, relates to development of the oil sands and provides for price controls in the regulations, would the minister make a public statement to reassure the oil companies who are willing to put their millions into this type of proposal that he will withdraw the oil sands provisions from Bill C-32 and restore his original undertaking to these companies to provide the export price to oil sands oil?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, my undertaking to the Syncrude operation was that the tax arrangement made between the companies and the province of Alberta and the federal government would not be affected by the budgetary provisions. That was the limit of that undertaking.

Mr. Speaker: The hon. member for Qu'Appelle-Moose Mountain may put a final supplementary.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, in view of what the minister has just said, that the budgetary undertakings will not interfere with the understanding to the Syncrude group, I should now like to ask the Minister of Finance whether it is not a fact that Bill C-32, which in effect puts price controls on oil from the oil sands, interferes with the agreement that he undertook?

Mr. Turner (Ottawa-Carleton): That would not be my interpretation of it, Mr. Speaker.

* * *

ENERGY

OIL—SUGGESTED REDUCTION IN PERIOD FOR PHASING OUT EXPORTS—REQUEST FOR ASSURANCE FOUR PLANTS OPERATING FROM OIL SANDS BY 1983

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the fact that the National Energy Board report tabled on Friday estimates that Canada's self-sufficiency in oil will probably end in 1982 and that it recommends that our exports should be continued on a declining scale until 1982, is there any reason why this seven-year phase out period could not be reduced to three years, with appropriate compensation for shut in oil, in order to give Canada additional time to bring alternative sources of oil on stream?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I think the critical element in the hon. member's question is the reference to appropriate compensation for shut-in oil. Of course, the general taxpayer would be the one to make this kind of compensation payment. The government's conclusion is that, both from the standpoint of our relationships with the United States and of sustaining the levels of income of the two producing provinces, it is preferable to phase it out over a longer time frame than doing as the hon. member suggested on Friday evening, shutting it down in two or three years time.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that the National Energy Board's estimate of having alternative oil supplies on stream coincides very closely with the end of our self-sufficiency, and is based on the assumption that there will be three oil producing plants in the Athabasca tar sands by 1982, and four plants in 1983, I should like to ask whether the minister can give the House a firm assurance that these plants will be in operation, or is this merely an optimistic assumption? I would ask the minister specifically whether he can assure the House that the Shell Oil Company plant and the Mining No. 4 plant will be in operation in 1983 when we have gone beyond the point of self-sufficiency?

Mr. Macdonald (Rosedale): Mr. Speaker, the institution and operation of oil sands plants fall entirely within the jurisdiction of the government of Alberta, and there is no way the government of Canada can be assured that that government will direct its policy in such a way that these plants will be on stream within any time frame. I would have to say that what the board was doing in exercising its judgment was giving its best estimate, given the desire of certain of these companies to bring these plants into operation when they would be able to do so, and taking into account the regulatory delays that may occur in Alberta, as well as the cost and other factors they would have to face.

SARNIA-MONTREAL PIPELINE—ALTERNATIVE IF INTERPROVINCIAL DOES NOT CONSTRUCT—DATE OF COMPLETION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of that uncertainty, it would seem to be rather wise to telescope the phasing out period. In view of the fact that the Interprovincial Pipeline Company asked for an adjournment until the National Energy Board Report was tabled, and also until it got some assurance of a $25 million a year return from that pipeline, and in view of the fact the minister has stated that the company has now got cold feet, may I ask the Minister what assurance he can now give the House in respect of the construction of that pipeline, the approximate date of completion and whether he has any alternative proposal to make in the event the company does not proceed with the construction of this line?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the company and the National Energy Board have had extensive discussions and correspondence with regard to the financial impact in the 1980's if such a line ceased to be producing revenue at any point. My understanding is that these discussions have now stalemated. It would be my intention to put to my colleagues a suggestion as to how we might act at the government level, as opposed to the National Energy Board level, to try to overcome this last obstacle to the Montreal pipeline.

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FINANCE

POSSIBLE COMPROMISE WITH PROVINCES ON PROVISIONS OF BILL C-32 AND BUDGETARY PROVISIONS RELATING TO OIL

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in light of the fact that the Minister of Finance said on Sunday on the TV program "Question Period" that the compromise door was always open between the federal and provincial governments, was the minister suggesting as a result of that statement that he is prepared to compromise the terms and conditions of the bill referred to by the hon. member for Qu'Appelle-Moose Mountain, and also to compromise the harsh tax measures brought in by the budget?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I would think, in view of the fact that in the budget we backed off from the May 6 proposal by about 25 per cent, $100 million this year and $170 million in the year 1975, and more thereafter, and in restoring the 100 per cent immediate writeoff for exploration expenses, compromise might be looked at now from the provincial side.

Mr. Woolliams: Mr. Speaker, I take it from what the minister has said that the compromise is laid out in the budget and he does not intend to take one step further in compromising the other matter so as to assure a greater supply for Canada and maybe fulfil the export commitment just made by the Minister of Energy, Mines and Resources, that he is now standing firm and there will be no further compromise with the provinces in that regard? Is that his harsh position?

● (1430)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, if the hon. gentleman would read the budget speech again, it would be indicated to him that I took account of the problem of declining reserves of petroleum in this country and the need for new exploration and development which is why the 100 per cent immediate write-off was restored, why the abatement was raised from 20 per cent to 25 per cent and why the federal tax was reduced from 30 per cent to 25 per cent. I would now hope that the government of the province of Alberta, sharing my concern for the future of the health of that industry, would also react.

Oral Questions

[*Translation*]

AGRICULTURE

FARM MACHINERY PRICES—POSSIBILITY OF BARBER COMMISSION RECOMMENDATIONS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in th absence of the Minister of Agriculture, I should like to put my question to the right hon. Prime Minister.

In view of the spectacular price increase for farm machinery, which leads to heavier production costs, could the Prime Minister tell the House whether the government will follow the recommendations of the Barber report by enforcing antitrust legislation in that area?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Agriculture is right now meeting with his provincial colleagues and I believe that he dealt several times with the subject raised by the hon. member.

* * *

[*English*]

PUBLIC SERVICE

STRIKE OF GRAIN INSPECTORS—GOVERNMENT ACTION TO SETTLE—JUSTIFICATION OF GOVERNMENT OFFER

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct my question to the President of the Treasury Board. In view of the fact that Canadian grain shipments have once again ground to a halt, this time as a result of the grain inspectors strike, could the minister bring the House up to date on the current status of negotiations and advise the House what steps the government is taking to ensure that grain shipments will be returned to normal as quickly as possible.

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I am sorry there is a strike in that sector. The officials of my department and the representatives of the Public Service Alliance met Saturday afternoon; they also spent part of Sunday holding a meeting and are still holding one at this very moment. I believe some progress has been made and I trust they will soon come to an agreement. I understand the strike is legal. The civil servants had the right to take that attitude. We do hope that in the course of those meetings a solution to the problem can be found quickly.

[*English*]

Mr. Mazankowski: I have a supplementary for the President of the Treasury Board, Mr. Speaker. Since this dispute arises largely from the government's mishandling of the grainhandlers' strike which saw a 61 per cent or 54 per cent settlement imposed upon the grain elevator companies—and I say 61 per cent or 54 per cent because of the calculation which could be made—could he explain to the House and this country how the government could possibly justify an original offer of 11½ per cent over a 27-month period to the grain inspectors at a time when the bench mark of 61 per cent has been established which now clearly becomes the basis for future negotiations in labour.

[Mr. Turner (Ottawa-Carleton).]

[*Translation*]

Mr. Chrétien: Mr. Speaker, we made initial offers but as a result of conciliation, a majority report was submitted to the government, which the latter endorsed. There was also a minority report and we followed normal procedures during negotiations. We hope present negotiations will give results. The Parliament of Canada gave the civil servants the right to strike and we must follow standard procedures. I fail to see why we should not respect their right to strike at this time.

[*English*]

Mr. Speaker: The hon. member for Vegreville on a final supplementary.

Mr. Mazankowski: Mr. Speaker, since the strike seems to be far from being settled, I wonder whether the minister would consult the Minister of Labour and the Minister of Justice who seem to be more liberal in respect of labour negotiations?

POSITION OF GRAINHANDLERS AT PRINCE RUPERT—ASSURANCE OF ROLE FOR PORT IN EXPORT OF GRAIN

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my supplementary is for the President of the Treasury Board as well. While the officials are holding discussions with the Public Service Alliance in respect of the problems with regard to the grain inspectors at Vancouver has the minister or any of his officials discussed the matter of the port of Prince Rupert where the grain handlers are much behind their counterparts at the port of Vancouver and will he ensure that the port of Prince Rupert will play the role it could play in western Canada in respect of the transport of grain to other countries.

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, this means all inspectors of primary products and not only wheat inspectors working in the ports. A much greater number of public servants are therefore involved and we are dealing with the problem. As for grain carriers in Prince Rupert, their problem is different and we are trying to solve it if necessary.

* * *

[*English*]

ENERGY

OIL—GOVERNMENT POSITION ON MAINTAINING AND FINANCING ONE-CANADA PRICING POLICY

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is supplementary to earlier questions asked of the Minister of Energy, Mines and Resources. In light of the fact that the export reductions proposed by the minister will make Canada a net importer of oil next fall, that is, prior to the time the new extension is completed of the Montreal-Sarnia pipeline, is the government still committed to maintain a one-Canada oil pricing policy and, if so, how does the government propose to finance the price subsidy when we get into a new-import position?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, this of course is a question we will look forward to discussing with the provinces in the context of discussions taking place about the future of the on-going prices from July 1.

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CANADIAN BROADCASTING CORPORATION

APPLICATIONS FOR FRENCH TELEVISION AND FM STATIONS AT THE PAS AND FLIN FLON—TOWER RENTAL CHARGED BY MANITOBA

Mr. Cecil Smith (Churchill): Mr. Speaker, my question is for the Secretary of State. As notice of hearing has been published in Flin Flon and The Pas indicating that CRTC hearings will be held on December 10 in Montreal concerning an application by the CBC to bring French television and FM to The Pas and Flin Flon, would the minister advise what the amount of the tower rental will be from the province of Manitoba for these facilities?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I will find out that information for the hon. member.

* * *

INDUSTRY

AUTOMOBILES—DISCUSSION WITH INDUSTRY REPRESENTATIVES ON PROSPECTS FOR FURTHER LAY-OFFS—GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. On Friday I asked the minister a question concerning automotive lay-offs in Windsor, St. Thomas, Ajax and Oshawa and what steps he was about to take to deal with the increasingly serious situation. The minister in reply said two things: first, that he did not expect a large number of lay-offs and, second, that those which would occur would be of a short and periodic nature. In light of the fact that, either while he was speaking in the House on Friday answering the question or the previous evening, the Ford Motor Company was announcing further lay-offs in Oakville and Talbotville, almost one-fifth of which were of permanent duration, I should like to ask the minister if this new information has caused him to alter his judgment at all concerning whether or not we can expect further significant long-range lay-offs in the automotive industry and if so what he intends to do about it?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the Ford Motor Company advised me that 145 hourly and 50 salaried employees will be laid off indefinitely at Oakville at the end of the month.

Mr. Broadbent: How about Talbotville?

Mr. Gillespie: Some of the lay-offs result from steps taken following the completion of the new model launch and others I am told are due to a cost-cutting program due to declining sales. With regard to the Talbotville plant I have been told that what had been planned as a one-week lay-off has been extended to two weeks.

Mr. Broadbent: Mr. Speaker, I would add the information that this has been extended beyond the period the minister has indicated. I should like to ask the minister whether his department has consulted at the directorship level of the automotive companies concerning some of their expectations about further lay-offs in the assembly plant operations in the coming weeks and related to that has he or his officials consulted with the parts industry which accounts for about half the employment in the industry to find out what are their expectations? If so, is he prepared to tell us what the government plans to do about this?

Mr. Gillespie: Mr. Speaker, I have had a number of conversations with the presidents of automotive manufacturing companies and representatives of the auto parts industry. They are concerned, as I am concerned and as I know hon. members in this House are concerned, about the prospects in the automotive industry particularly as a result of decline in the United States market. I think that this situation would underline the interdependence of our two markets. Notwithstanding that, the words that I received from the senior officials of the Canadian automobile manufacturers is that they are cautiously optimistic about this year and the coming year as well. That is not to say that there are not dangers; I have clearly indicated that there are but I think the situation is best put in those terms, that there is still a cautious optimism about the coming months.

● (1440)

AUTOMOBILES—SUGGESTED REDUCTION OF DIFFERENTIAL IN PRICE BETWEEN CANADA AND UNITED STATES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I address my last supplementary question to the Prime Minister. In view of the fact that the minister has progressed from "optimism" on Friday to "cautious optimism" today about the fate of the industry when everybody else who knows anything about it is extremely pessimistic, can the Prime Minister tell the House if the minister was stating government policy last week when he said that the government would do nothing more about bringing down the price of cars sold in Canada to the same level as those sold in the United States, for which there is ample economic justification and, since that is the best means of increasing sales and hence employment, does the government intend to do anything about narrowing the price gap in the next few weeks?

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

Oral Questions

FINANCE

EFFECT OF EXCISE TAX ON PLEASURE CRAFT ON SMALL BOAT BUILDING INDUSTRY—GOVERNMENT ACTION TO ALLEVIATE RESULTANT UNEMPLOYMENT

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Minister of Finance. The proposal for a special excise tax of 10 per cent on all pleasure craft will strike a detrimental blow to the small boat industry in Nova Scotia, and especially to the builders in my constituency who are already struggling in the grip of inflationary costs. In view of the increased unemployment that this tax will create in the small boat industry, may I ask the minister if he consulted with the minister of Regional Economic Expansion before proposing this levy and what steps will be taken to assist those who become unemployed as a result of it?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will take the hon. gentleman's remarks as a representation on the potential effects of the budgetary measures.

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CRIMINAL CODE

SUGGESTED REVIEW OF ABORTION PROVISION—REQUEST FOR STATEMENT OF GOVERNMENT POLICY

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Minister of Justice. In light of the recent pilot survey carried out in British Columbia on implementation of the 1969 abortion amendment which showed that hospitals were critical of the difficulties inherent in interpreting the abortion law, does the government have any intention of forming a committee to thoroughly investigate the question of the law as it now stands at the same time giving organizations the opportunity to present their views on a matter so important to all Canadians?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we do not have any present intention of forming a committee as a means of inquiry into the operation of the law but we have the matter in hand otherwise.

Mr. Jelinek: Mr. Speaker, may I put a supplementary question to the Prime Minister. In view of the dilemma of not only hospital boards but thousands of Canadians which is caused by the uncertainties in interpreting present abortion laws, can the Prime Minister advise the House whether the government intends to clarify the situation by announcing in the near future a clear government policy either pro or antiabortion and could he let us know which direction the government intends to take?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the clear government policy is to abide by the law as it now stands on the book and to make sure it is respected everywhere. I hope the Tories have as clear a policy.

[Mr. Trudeau.]

ENVIRONMENTAL AFFAIRS

POSSIBLE EMPLOYMENT OF DEPUTY MINISTER BY PIPELINE COMPANY FOLLOWING RETIREMENT

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I should like to put a question to the Minister of the Environment. In light of public reports earlier this month on the future employment of the Deputy Minister of the Environment, could the minister tell the House whether she has inquired into this matter and whether the deputy minister will be employed by a northern pipeline consulting group which will be working on a project which should eventually involve the National Energy Board, the Department of Indian Affairs and Northern Development and the Department of the Environment?

[*Translation*]

Hon. Jeanne Sauvé (Minister of the Environment): I could not say, Mr. Speaker, if the departments to which the hon. member referred would be involved in the future of the Deputy Minister of the Environment but it is true that from February 19, he will be in the employ of the company mentioned.

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[*English*]

CONFLICT OF INTEREST

EMPLOYMENT OF CIVIL SERVANTS BY COMPANIES WHOSE INTERESTS ARE IN THEIR AREA OF RESPONSIBILITY—GOVERNMENT POSITION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, may I put a supplementary question to the right hon. Prime Minister? Is the right hon. gentleman satisfied that the oath of secrecy covers the question of conflict of interest and public interest regarding this practice or is his intention to prepare guidelines on the appointment of deputy ministers and other officials in sensitive positions that would remove, for a period of time, after leaving the government, their freedom to work for companies or institutions that may have a direct and immediate interest in the areas that involve responsibilities of deputy ministers and those officials?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I apologize but I missed the previous exchange. In so far as the question itself is concerned, the government did consider this alternative and it was rejected. I think if it were to apply to civil servants it would have to apply to all members of the House and we do not think that members of the House would want to apply that rule to themselves. However, we will see, when the matter comes before the House on the conflict of interest guidelines.

Mr. Fraser: Mr. Speaker, I am sorry that the right hon. Prime Minister missed part of the question. I wonder if I could ask if he is satisfied that in such case the oath of secrecy is a sufficient protection to the public interest for those who are employed in such areas subsequent to their employment in sensitive government areas. I say that, Mr. Speaker, because the hon. Minister of the Environment

said in answer to my question on November 15 that she felt the oath of secrecy was sufficient.

Mr. Trudeau: Mr. Speaker, I repeat, I missed the previous exchange and when the hon. member talked about "in such case", I do not know what case he is talking about.

Mr. Fraser: I am sorry, Mr. Speaker, I respect what the right hon. gentleman has said. The case is that of a deputy minister or other official in a very sensitive position being employed afterwards by the private sector or corporations or individuals that may have a very, very direct interest in the information which those particular people acquired in the course of their responsibilities with the government.

Mr. Fairweather: Insiders.

Mr. Trudeau: Mr. Speaker, frankly I have no further solution to this difficulty and I see it as a real one. I do not think it is a practical alternative to suggest that when officials or ministers or for that matter civil servants or members of parliament, have departed from their particular employment that they be in some way restricted as to the use of their freedom. I would hope that their oath of secrecy and their innate honesty would guide them in the circumstances that the hon. member suggests.

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POST OFFICE

EFFECT OF DECERTIFICATION OF UNION ON PAYROLL DEDUCTION OF UNION DUES—GOVERNMENT POSITION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, may I put a question to the Postmaster General and may I say we welcome him safely back from his sojourn in the land of his fathers where he was attending the funeral of a very distinguished president. May I ask the Postmaster General, since the decertification of the Council of Postal Unions if he or his officials have circulated a memorandum to all postal employees informing them that they can now opt out of the checkoff for union dues?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, the question raised by the hon. gentleman is one that is rather contentious and has created a certain amount of controversy within the postal ranks. To be precise, under the law we have no right to deduct dues from members for unions that have been decertified. What we have is an alternative suggestion, one which was discussed with the heads of the various unions, that we would continue to make the appropriate deduction from the payroll unless notified in writing by individuals working in the post office that they no longer wished to pay union dues to the union with which they are associated.

Mr. Lambert (Edmonton West): What gives you legal authority to do that?

Mr. Dinsdale: Mr. Speaker, I have a supplementary question. In view of the sensitivity of this issue and the necessity of good labour relations in restoring the efficiency of the post office, could the Postmaster General circulate a memo assuring all employees that, notwithstanding decertification, the government is honouring the terms of the collective agreement?

Mr. Speaker: Order, please. What is the question—"could"the minister have done that as a suggestion or "has" the minister done it? I did not understand the question. One is hypothetical and the other is argument.

Mr. Dinsdale: Could he, Mr. Speaker.

Mr. Mackasey: Mr. Speaker, when the Postal Council applied for and was granted decertification by the Public Service Staff Relations Board it was suggested by the chairman that although the collective agreement is null and void, as many features of it as possible be recognized on an official basis. We have done so. The only part of the question looked into by the Department of Justice officers concerned the propriety of deducting payroll union dues of those members who were theoretically no longer covered by a collective agreement. In effect and in summary, we are enforcing all features of the collective agreement, including the deduction of union dues which are turned over to the appropriate union, unless otherwise notified by postal employees who no longer want these union dues deducted from their pay.

* * *

● (1450)

FINANCE

REASON FOR ALLOWANCE OF ROYALTIES PAYABLE TO FOREIGN JURISDICTIONS AS DEDUCTIBLE EXPENSE BUT NOT THOSE PAYABLE TO PROVINCES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. Is the minister aware that it is present government policy to allow resource royalties payable by Canadian corporations to foreign jurisdictions such as Guatemala to be deductible from their income before federal taxation, while it is proposed to deny this privilege to such companies with respect to provincial royalties. If the minister is aware of this, will he explain why a provincial royalty is not an expense of doing business, while a foreign royalty is considered as an expense of doing business?

Mr. Speaker: Order, please. The hon. member for Winnipeg South Centre.

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POST OFFICE

STUDY RECOMMENDING MAIL DELIVERY BE LEFT WITH PRIVATE CONTRACTORS—GOVERNMENT POSITION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is directed to the Postmaster General. In view of the startling revelation by Mr. D. S. McConnell, president of the McConnell Nursery Company of Port Burwell, Ontario, that the postal strike of April, 1974, cost his firm more than half a million dollars, and that he can no longer chance issuing his seed catalogue for 1975 because of the threat of postal strikes and poor mail

delivery, will the minister now consider implementing the recommendations contained in the $.25 million Samson, Belair, Riddel and Stead study which recommended that mail delivery be left in the hands of private contractors who deliver mail more efficiently and economically.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, that report, I think, was published in 1969. My hon. friend may or may not have been here then, but I remind him that the question of the efficiency of private enterprise arose in connection with the Lapalme dispute.

Mr. McKenzie: A supplementary question, Mr. Speaker. I think I am as familiar with the document as the Postmaster General is. Will he consider reviewing the recommendations of the report and report back to the House, as the firm making the report goes into extensive detail on the advantages of private contractors handling mail delivery.

Mr. Mackasey: Mr. Speaker, this involves a question of philosophy, really. Last April the gentleman to whom the hon. member referred suffered financial hardship and, if he is not prepared to take a chance again, it means that people will have to turn to some other firm for their seed catalogues. As to whether private enterprise can handle more efficiently than the post office the delivery of mail by truck, let me remind the hon. member that the matter was faced by the department. It decided one year or so ago to phase into the post office various contracts which had expired in the private sector.

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[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST FOR INCREASED FUNDS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

Considering the appreciable reduction of employment in forestry work, especially in saw mills—and this problem has occurred after the allotments of grants under LIP—would the minister reconsider the distribution of those funds or recommend to the cabinet the provision of supplementary estimates for local initiatives projects for the next season?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will give full consideration to the representations of the hon. member and give them full thought.

Mr. Stevens: On a point of order, Mr. Speaker, I think the minister was prepared to answer my question, which I certainly intended to be a question on policy. Is it government policy to allow royalties payable to foreign governments to be deductible, whereas royalties paid to provinces may not be deductible?

Mr. Speaker: Order, please. Perhaps the hon. member's memory is not keen on the point, but that form of question directed to a minister is not acceptable under the terms of reference of the question period, which have been discussed recently. In addition, the request for a minister to interpret a statute concerning legal liability under the statute is not acceptable, according to precedent. This is distinct from the sort of question put to the Prime Minister as to whether a minister was pronouncing government policy when he made a certain statement at a certain time. That would be different, in order and quite acceptable. The request that a minister of the Crown interpret a statute and legal liability under that statute is not proper in the question period, according to my understanding of the rules. The hon. member for Greenwood.

Mr. Stevens: Mr. Speaker, I rise on a further point of order. Could I direct my question to the Prime Minister?

Mr. Speaker: In due course. The hon. member for Greenwood.

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EXTERNAL AFFAIRS

PROPOSED LOAN OF FIFTY MILLION DOLLARS TO SOUTH VIET NAM—CANADIAN POSITION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Secretary of State for External Affairs. Did the Canadian representative at the October 17 meeting of the World Bank or its associates at Paris support, tacitly or explicitly, an American proposal for a $50 million advance to the Saigon régime, apart altogether from making any actual commitment.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I can assure the hon. member that we did not support the proposal in fact, in principle, or in any way at all.

Mr. Brewin: A supplementary question, Mr. Speaker. Will the Secretary of State for External Affairs undertake to inform parliament before any such commitment is made to bolster the Saigon régime, whose disregard for fundamental human rights is notorious.

Mr. MacEachen: Mr. Speaker, the whole issue seems to be somewhat hypothetical. At the moment I am inclined to doubt whether that eventuality will take place at all, whether we will subscribe to that kind of participation.

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ENVIRONMENTAL AFFAIRS

WATER QUALITY—SUGGESTED STUDY BY DEPARTMENT IN VIEW OF POSSIBLE CONTAMINATION

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is for the Minister of the Environment. In view of alarming allegations in the United States that drinking water taken from the Mississippi and other rivers is being severely contaminated by materials which were formerly considered to be non-contaminants, is the government of Canada planning to undertake studies

similar to those initiated in the United States, to ensure the quality of water consumed by Canadians.

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, the quality of our water is constantly being tested by Canadian authorities. I should like to know to what precise problem the hon. member is referring in connection with the Mississippi River. If difficulties arise in other parts of the world of which we did not know before, we immediately take measures to look into the situation, to see if the same conditions exist in our own country.

Mr. Wenman: A supplementary question, Mr. Speaker. The minister suggested that studies are being undertaken. Can she tell the House under whose authority those studies are undertaken, in order to assure Canadian people that Canadian water supplies are safe and uncontaminated. To which studies was the minister referring?

Mrs. Sauvé: Mr. Speaker, numerous studies are undertaken. Water quality and possible hazardous effects on health are looked after by the Department of National Health and Welfare. We rely on the information given to us by that department. If new difficulties arise, we initiate studies in order to find out if there is a problem.

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STATISTICS CANADA

SUGGESTED INVASION OF PRIVACY AS RESULT OF QUESTIONS ASKED DURING SURVEYS—GOVERNMENT POSITION

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, my question is to the Minister of Industry, Trade and Commerce. Regardless of the supposed, and I stress "supposed", confidentiality of data collected from surveyed individuals by Statistics Canada for surveys such as the one on food expenditure presently being undertaken by the ministry, does not the minister feel that information on topics such as family mortgages held, stocks and bonds held, land interests, cigarettes, personal care articles and alcohol purchased, as sought by Statistics Canada, is a serious invasion of privacy; and, regardless of the supposed necessity for this information, does not the minister believe that being forced to answer questions of a private concern under threat of prosecution is an unreasonable and unjust intimidation of personal freedom?

An hon. Member: Snoop!

● (1500)

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the act governing the operations of Statistics Canada is very precise with respect to protecting the privacy and confidentiality of the information.

Mr. Darling: Mr. Speaker, it is still mandatory and the result is a police state.

Mr. Speaker: Order, please. Does the hon. member have a supplementary question?

Mr. Darling: I want the minister to answer the question. What he is doing is making a demand on the privacy of an individual as compared to a commercial request or something of that nature.

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ADMINISTRATION OF JUSTICE

PROPOSED INVESTIGATION OF ALLEGATIONS AGAINST SEAFARERS INTERNATIONAL UNION—SUGGESTED CONSULTATION WITH ONTARIO OFFICIALS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to direct a question to the Solicitor General in light of the fact he is now working with the Minister of Labour in order to determine some of the facts regarding the Seafarers International Union. Does the minister intend to meet with the solicitor general of the province of Ontario and the attorney general of the province of Ontario in order to gather all the facts that are available and which I think will assist the Minister of Labour when he returns from the ILO Conference in Mexico to call for an inquiry into the whole matter involving the Seafarers International Union?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, at the request of the Minister of Labour, I have asked the RCMP to look into the allegations made against officials of the Department of Labour. The RCMP are doing that and I expect a report from them shortly.

Mr. Alexander: Mr. Speaker, I do not know whether the minister deliberately did not hear my question. In the absence of the Minister of Labour, I asked the Solicitor General when he will be meeting with the solicitor general of the province of Ontario and the attorney general of the province of Ontario in order to gather all the facts, thereby putting the Minister of Labour in a position when he returns from Mexico in another five or six days to determine whether an inquiry should be brought about immediately. I want to know whether the minister is going to see these provincial ministers.

Mr. Allmand: Mr. Speaker, I have no intention at the present time to meet with the solicitor general or attorney general of Ontario. When we ask the police to investigate something, they do it free from political interference.

* * *

AIR TRANSPORT

TAX ON AIRLINE TICKETS—ALLEGED HARDSHIP ON TRAVEL AGENTS

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, in the absence of the Minister of Transport, I will direct my question to the Prime Minister. Since the government in its wisdom chose to try to recover some of the cost of security checks at airports and has imposed a tax on airline tickets to defray these expenses, will the government correct the inequity which has been created by virtue of the fact that taxes collected from Canadian travel agents, whether the ticket be for a trip within

Canada or a trip with the point of origin and destination both outside Canada, is causing a severe hardship for travel agents within our borders?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will be glad to refer the question to the minister.

* * *

NATIONAL DEFENCE

SURVEILLANCE FLIGHTS IN THE ARCTIC—INADEQUACY OF FROBISHER BAY FACILITIES—SUGGESTION EUROPEAN COUNTRIES MIGHT PATROL CANADIAN TERRITORY

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is for the Minister of National Defence. Last week the minister announced the resumption of two flights in a six-month period in the Arctic. Was he aware at that time that the necessary maintenance base at Frobisher Bay had been closed; the doors locked, telephones disconnected and the communications centre run down? Does the minister intend to service these two flights with existing resources or with additional help?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I am glad to tell the hon. member that Canada has two coasts and that we can fly to the high Arctic from Comox without going near Frobisher Bay.

Mr. Nowlan: Mr. Speaker, I am fully aware that Canada has two coasts. I am concerned about this Minister of National Defence. What I am most apprehensive about is that this minister does not know anything about the armed services. He does not know we have three coasts, not two.

Some hon. Members: Hear, hear!

Mr. Nowlan: My question was not answered. I know the minister does not have to answer it. My supplementary question is to the Secretary of State for External Affairs. Because of our reduced operational activity in the Pacific and the Atlantic and thus our reduced presence, particularly in the Atlantic, has the minister been advised by any country, and I am thinking of three European countries, that they are sending additional ships to patrol in our pollution zone areas off our coasts next year?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No, Mr. Speaker.

Mr. Nowlan: Will the minister check with his department and advise this House. Britain said it would send seven destroyers here next year. Germany has already notified this country that at least one, if not two, destroyers are coming here. These European countries will be establishing some presence in our fishing grounds. England was kicked off the fishing grounds of Iceland.

Mr. Speaker: Order of the day.

GOVERNMENT ORDERS

[Translation]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Friday, November 22, consideration of the motion of Mr. Turner (Ottawa-Carleton) that this House approves in general the budgetary policy of the government, and the amendment thereto of Mr. Stanfield (p. 1502).

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, when the debate was adjourned last Friday, I was saying that young people who want to go into business have great difficulty in obtaining the necessary loans to realize their projects. That is regrettable since most of them now have a trade and an excellent training, and if they cannot use this knowledge, these talents, the entire Canadian society loses because these young people are not contributing to increase production or provide services. This certainly does not help to reduce inflation as these young people are still consumers even though they are not producers at the same time.

● (1510)

In my opinion, Mr. Speaker, in view of the present cost of education, this is too much to pay for training the unemployed.

In his speech, the Minister of Finance (Mr. Turner) talked a great deal about the inflation problem without suggesting any new formulas to solve it. He only repeated well known measures. The government tries such or such a measure, and if this does not work, it recommends starting over again by using the same recipe in case some ingredients were omitted. Here is what the minister said in his speech, and I quote:

> We cannot expect to eliminate inflation overnight. It will be a prolonged and tough fight. But we are striving to get the rate of inflation down below the two-digit level next year. It will take a determined effort on the part of all sectors of our society. Self-discipline and a good measure of political courage to get it down to 5 per cent over the next few years.

In another part of his speech, the minister said, and I quote:

> We are confronted by the twin problems of inflation and slower growth. They are very closely related, since inflation—if allowed to get out of hand—threatens the continued growth of real income, production and employment.

Really, Mr. Speaker, one would have to be blind or of bad faith not to recognize that our economic system is unsatisfactory and needs reforms.

Those who benefit from the present system, trusts, monopolies and even some politicians, prefer the *status quo*. But the working classes, low income families and individuals, are this system's victims, therefore they are not delighted with it. It is on behalf of these classes of people that I now speak in this House, to ask Parliament to bring in reforms before it is too late. To cure an illness, one must first of all know its cause. The same holds true for inflation, to cure it, one must first know its major causes.

In my opinion, these major causes are: First, interest rates which are too high; second, the increase in debts and the cost of their financing, both in the public and private sectors; third, excessively high tax rates which are eating up progressively larger and larger portions of the salary of human labour.

If there is no change soon in the present policy in respect of the credit which is necessary to finance the public sector, in respect of interests and taxation, our system and economy might very well collapse under the pyramid of our debts and taxes. One needs only look at statistics for confirmation of this statement.

We must remedy this situation. When the Minister of Finance stated that a strong dose of political courage would be necessary, he was right. The government will have to be strong also against the powerful and the monopolies, so that they will no longer destroy through their abuses the gains we expect from social legislation and job-creating programs such as LIP, in which this government certainly did not invest enough money this year, because of the increase in unemployment.

"We shall have to take the bull by the horns", as the Chairman of the Board of directors of the Bank of Montreal said in a speech which appeared in the annual report of this bank for 1973.

Dealing with the inflation problem, he stated that indexation will solve nothing. This is my opinion too. It's a plaster on a wooden leg. The only efficient action, he said, is to take the bull by the horns in grappling with the very essentials of inflation. In another part of this same speech, the minister said the following: "But this question is beyond the interest of each of the social groups, and neither investors nor labour nor any interest group, in spite of the quality of its organization, has the skill and the responsibility to rise to that global understanding. Only the state can. It alone is responsible for that." And he goes on to say: "It's time to make the essential choices. Will our elected representatives understand it?" This is, Mr. Speaker, another banker who speaks like a Social Crediter. Will the Minister of Finance believe this one?

As a solution to the problem of inflation, we Social Crediters are suggesting something. We are sometimes told: "You are always criticizing, but you never suggest any solution!" Today, Mr. Speaker, I will make very concrete suggestions and put them on very solid basis. First, immediate adoption by Parliament of a law guaranteeing each Canadian a minimum income. This income would be added to revenues provided by each person's efforts and would not be part of prices. Second, passage of legislation authorizing old age security pension payments as early as age 60 for those who wish to retire and also for those who are unemployed but also need income to live. Third, a discount on Canadian products sold at retail. I will say more on that later on if possible. Fourth, financing in the public sector using credits from the Bank of Canada and on which carrying charges would not be higher than administration costs.

This new method of financing would put an end to the competition that the Canadian and provincial governments are now providing for the private sector on the money market. This would lower interest rates on the capital necessary to industry in general. It would also contribute to a decrease in production costs and therefore, in prices.

In his 1975-76 budget, the Minister of Finance provides an amount of $3 billion and a half for interest on the public debt. That is exactly one billion more than for 1973-74. If that is not a real cancer gnawing at the vitals of society, Mr. Speaker, I wonder what cancer is? The way things are going, more than 10 per cent of the budget will soon be used just to pay interest on the public debt.

It is not normal that a sovereign government should be forced to finance the country's expenses by kowtowing to those who have the privilege of making money with the country's credit by plucking out of the blue the money they lend government. That is no more and no less than slavery and it is therefore vain to speak of democracy.

A sovereign government must realize that it has the power and the duty to create and monitor the instrument of exchange the people of this country need for their exchanges of products and services.

It may be argued that if that formula were good other countries would have tried it before today. To those people I say that President Lincoln used it successfully in the United States from 1860 to 1864. It is true that he paid with his life the courage and the guts of having dared put money at the service of his fellow man.

● (1520)

Another American by the name of Goldsborough introduced a bill in the U.S. House of Representatives on August 22, 1935. The purpose of that bill was to restore to the American government its supreme role of creating the money necessary for financing the expenditures of the American people and liberating it from the slavery of money comptrollers. I obtained a copy of that bill and had it translated in excellent French. Of course, I do not intend to read the whole thing in this House but I am quite prepared to hand a copy to the Minister of Finance so he can have a look at it and use it in due time.

What was the purpose of that bill? The purpose of that bill was as stated in clause 1, and I quote:

> To restore to Congress its constitutional power to issue currency and control its value; to provide a monetary income for the people of the United States with a dollar whose purchasing power will be stable and equitable, adequate at all times to allow people to purchase the goods and services that industries and business services in the United States can provide at full capacity; to abolish the practice of creating bank deposits by private groups on fractional reserves and for other purposes.

Indeed, the purpose of that act is quite clear. Furthermore, the sponsor of that bill suggested that U.S. consumers be given a retail discount to fight, as we are still doing today, inadequate incomes of low income consumers to help them to further benefit from production at prices they can afford. I continue quoting from the same bill:

> Application of Retail Discount Rate—Upon and following the passing of this act the retail discount rate will be applicable on purchases of goods and services from retailers as described in this act by bona fide consumers, provided such purchases are for the personal use of the consumer or his family and not for resale, exchange or manufacturing.

However, we have been proposing this to Parliament for several years, Mr. Speaker. When we hear that this was never done anywhere else, it is not because nobody thought of it but because, here like elsewhere, we have

captive governments, which are unable to take their responsibilities and which are at the service of big business.

In another part, section 305 says, and I quote:

Policy statement: The purpose of this Act is to maintain at all times a rough balance in the national credit account in all banks. The intent of this Act is to control the volume of the means of payment for the goods and services according to the capacity of the entire nation to produce and to consume in an upward standard of living, in order not to have an excessive monetary expansion and consequently an undue progression of prices and so that the present system of issuing currency through private initiative for profit, which causes disastrous inflation and deflation periods does not recur.

Here is an advised legislator, Mr. Speaker. A few weeks ago, the leader of the Social Credit of Canada introduced a bill in this House and he explained its nature. It is a bill to amend the Bank of Canada Act so that the latter can give long term loans to the federal government and the provinces for financing the public sector at an interest rate not exceeding the administration expenses. This is why a Liberal member killed the bill, and I am very sorry to see that the government chose a physician for this murder. I had always thought that physicians were rather in favour of life.

Therefore, Mr. Speaker, if this Parliament has failed up to now to pass a legislation that would straighten up our financial situation so that the money used by Canadians would be created by our government as a sovereign government, it is not because that was not mentioned, but because we have a government that is not free; our Parliament should be free and do something before it is too late.

Some people may say: Under the influence of Social Credit, the value of money is going to drop. There is no Social Credit for the time being, and we still have inflation. Social Credit is not ruling the country, and money has been losing much of its worth.

Mr. Boulanger: We deal with other countries.

Mr. Lambert (Bellechasse): I know that. But the hon. member will make his own speech and explain. They say, and I quote:

Inflation has eroded wage increases by 60 per cent.

There is your system! They say that 60 per cent of wage increases are eroded by inflation, which is created by the system the hon. member upholds so vigorously.

An economist quoted in an article of the January 31, 1974 edition of *La Presse* said, and I quote:

The value of the dollar will go down by 50 per cent within ten years

This is only a partial truth, for we know that the situation will be even worse, considering the present trend of changes.

The former chief of the hon. member knows that. Even though the hon. member comes from the Mercier constituency in Montreal, he has not yet been blessed.

At all events, Mr. Mackenzie King, in 1935, at the time of the great battle to free Canada from US financial domination, uttered some truths that can be verified, but did not act accordingly afterwards. I quote:

[Mr. Lambert (Bellechasse).]

Once a nation loses control over its currency and its credit, it does not matter much who in that nation makes laws. Once in control, money lenders will ruin any country.

We too, in Canada, are in the process of being ruined.

Mr. Speaker, I refer to an authority, the late Pope Piux XI who said—and I wish everyone enslaved by finance people would hear this:

Those who hold the money and have absolute control over it regulate credit and dispense it as they see fit. In so doing, they direct blood to the economic system, which they hold in their hands. Consequently, nobody can breathe without their assent.

This is why we have ill-breathing governments, Mr. Speaker; they have good intentions, but lack the means to fulfill the people's legitimate desires.

I would therefore hope the few suggestions I just made be kept in mind. I repeat that if the Minister of Finance wishes to see it, I will give him a copy of the American bill I just referred to.

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, as minister responsible for housing through the Central Mortgage and Housing Corporation, I welcome many elements in the budget which both directly and indirectly deal with the very real challenges which face us in maintaining the high quality of housing we enjoy in Canada and the availability of housing at prices people can afford at a time of high inflation. In the housing field, inflation manifests itself primarily in very high interest rates as well as in the high cost of building materials and labour.

By continuing to direct his policies toward achieving an even-handed approach to inflation and economic growth, the Minister of Finance (Mr. Turner) assures us of the fundamental stability and strength which makes Canada the envy of virtually all western industrial nations. While no one would suggest that we do not have serious problems, it is evident to everyone that we are coping with these with greater success than others, more particularly than our principal trading partners most of whom have higher rates of inflation and who predict zero or minus growth rates in their real gross national product while ours is projected to grow by some 4 per cent in the coming year.

This basic strength gives hope for 1975. Without it we could not realistically begin to cope with the disturbing drop in housing starts which has plagued us, along with other nations, in the latter part of this year. Over the past six years we have consistently and significantly surpassed the required 200,000 starts per year. By the end of this year we expect to see final figures of 220,000 to 230,000 starts and about 250,000 completions. This would be cause for satisfaction were it not for the fact that these figures reflect an exceptionally high level of starts in the first part of the year, which level declined dramatically to an annual rate of 173,000 starts in October.

Of further concern to me has been the consequence of high interest rates, high construction costs and high serviced-lot costs which have made it extremely difficult for Canadians, especially young families, to get their stake in the housing market. While home ownership is presenting problems which we are tackling vigorously, the lack of

rental accommodation has reached critical proportions in many cities across Canada. While rents, on the whole, have not increased at nearly the rate of other costs, continuing vacancy rates of less than 2 per cent will put pressure on rents that will be unacceptable to Canadians and their government. Rent controls are not the answer in this market. Indeed, in the provinces where they have been applied they have tended to exacerbate the problem, and I reject controls as a solution or even as a palliative. A major portion of our efforts in 1975 will be directed to the rental field.

● (1530)

The government's over-all approach of increasing supply is one which I shall apply in coping with both home ownership and rental accommodation. It is for this reason that we shall use government resources and taxpayers' dollars to achieve the maximum effect in making it possible for builders and developers to deliver good accommodation to Canadians at high levels and affordable prices. This can only be done if provinces and municipalities accelerate the rate at which they approve building plans. The concern being shown for good planning is welcome. The very real problems of municipalities are well understood. On the other hand, most people acknowledge that administrative delays and, in some cases, prolonged resistance to any reasonable development are major factors in increasing development costs and aggravating problems of supply.

I therefore urge provinces and municipalities to look carefully but urgently at all plans before them, with a view to accelerating the flow of residential building permits in areas of shortage or high cost. This might mean a lot of night and weekend work for planning bodies. However, it is essential in dealing with our current and anticipated situation and should not detract from good planning practices: it concerns just the administration time of such practices.

Now, Mr. Speaker, let us look at the specific measures in the budget which will help us reach the minimum target of 200,000 starts which we have set for 1975. The most dramatic is the decrease in sales tax on building materials from 11 per cent to 5 per cent. This, on the average, will reduce the cost of a home by approximately $650. For first-time buyers of new, moderately priced homes we must add the $500 grant which I announced on November 1, making a reduction of $1,150. This is a significant incentive to bring this type of new housing on to the market at prices Canadians can afford and which the housing industry can provide, as proven to us by them, with the Assisted Home Ownership Program.

Demand pressures have relaxed to the point that the marketplace is beginning to work. I want to see homes sell at prices related to their cost, rather than what the traffic will bear. While I am hopeful that this will be the case, I do not intend to leave it to pure chance. For this reason I am implementing a monitoring procedure to make certain that sales tax reductions are passed on to the builders by the suppliers and by the builders to the home buyers. I have invited representatives of the supply and building industries to meet with me and with my officials in Ottawa to seek their co-operation and to develop and explain procedures which will best achieve the reduction in costs and increase in supply which the measure is designed to achieve. My colleague, the Minister of Consumer and Corporate Affairs (Mr. Ouellet), is co-operating fully with me in this effort.

Another factor in the budget is the disallowance of the carrying cost on land until it is brought into use. This should accelerate the supply of land. Combined with the action of some provinces, our federal programs for land assembly and servicing and the reintroduction of Bill C-34 to assist municipalities and provinces in providing sanitary and storm sewer services, plus the co-operation of planning authorities, will help substantially in shaking out a distorted land market that has been under pressures which have added inexcusably and even unconscionably to serviced-lot prices and thus to housing prices.

The registered home ownership savings plan gives considerable incentive to families to save for the down payment on their first home. The sum of $1,000 can be deducted from taxable income each year for up to ten years. This means that if both partners are working they can save up to $2,000 yearly or $20,000 in ten years if that is their priority. Invested at even 8 per cent interest, this would add up to about $14,450 total in ten years for one income earner, or $28,900 for both. It should also add significantly to the flow of investment money which will find its way into the mortgage market which, in turn, will help provide the homes which these couples are saving to buy. Add to this the $1,000 in deductions from interest earnings for all taxpayers, and we have a major infusion of money into the mortgage market.

In addition, I am urging the significantly growing pension funds to allocate a greater proportion of their investment to the residential mortgage market. Mortgage investment corporations being formed under legislation from the last parliament, and the establishment of the Federal Mortgage Exchange Corporation, are further incentives for residential mortgage investment. Combined, all of these measures should assure supply of mortgage funds and act as a stabilizing factor on mortgage interest rates.

What I like best of all about the registered home ownership savings plan, Mr. Speaker, is the incentive to savings—an almost forgotten word in these times of almost insatiable demand for all the good things available to us in an abundant society. I have said in the past that every Canadian has a right to good housing and it is my responsibility to see that it is provided. I have also said that every Canadian family has the right to the option of their own home. This measure gives them the means to set their priorities. If a home rates high on their list of priorities, they now have one of the most generous and effective vehicles for achieving this goal. It is now my job to deliver programs to make certain that enough homes are built, at moderate prices, to meet the demand, and also enough rental accommodation for those saving toward ownership as well as those who choose rental rather than ownership.

A growing number of Canadians are seeking rental accommodation, particularly in or near the centres of our major cities. It must be apparent that living in our growing urban centres must be relatively high density and the dream of a single-family dwelling on its own separate lot is only achievable at economic cost, for most, away from the central areas of our cities. The choice for many thus

becomes achievable single-family ownership in suburban or smaller communities, town house, condominium type ownership or rental within the city.

The increase in demand for rental accommodation is outstripping supply and investment in multiple-family units, especially apartment buildings, is lagging. In many parts of the country this investment has traditionally come from private investors who have invested in such real estate at its inception or as a secondary market to provide funds for builders to engage in further new construction and as a good investment for themselves. Until tax reform they could write off the depreciation or capital cost allowance against this other income. This tax shelter was withdrawn on the grounds of equity as a result of tax reform. The consequence has been a serious cutback in new construction in some areas. To give impetus to this critical area we are encouraging this investment for those who build multiple-family rental accommodation in 1975 by allowing the application of capital cost allowance against other income.

These measures, combined with substantial funds to be applied to existing programs and the new measures I plan to place before the House in December, will add to the total matrix of policies necessary to increase momentum in the housing industry. There is no single magic, or simplistic, solution: needs vary from family to family, from city to city and from region to region. We do know, however, what has worked well in the current situation and now we can make it work even better. The Assisted Home Ownership Program has brought some 20,000 new homes on to the market at a cost of $450 million in loans. I have allocated a further $50 million in loans and subsidies for increased limited dividend, voluntarily controlled rental accommodation for the last two months of this year—enough for about 2,000 units. CMHC has received applications for over 6,600 units under this plan and is selecting those which give the best value. These programs will be expanded in the coming year in response to the need and the demonstrated interest of the builders.

Because our resources are not unlimited I will be introducing legislation which will make it possible to tap the capital resources of the private mortgage markets to do much the same job. There are still areas where government, through CMHC, will have to be the lender and provide the subsidy to make it possible for low-income families to buy or rent new, moderately priced housing and not spend more than a reasonable proportion of their income whether buying or renting. The family income ceilings for this assistance range up to $8,000 and even $18,000 in high-cost areas.

● (1540)

We want to make it possible for even more people to be helped; but, as we have seen, even over half a billion dollars in federal funds in these two programs alone, assisted home ownership and limited dividend housing, in 1974 is not enough. To untap the major sources of private mortgage funds we intend to bridge the gap in interest rates between the minimum rate at which private lenders can economically lend and the maximum rate at which lower and medium-income Canadians can afford to borrow. This will apply to more areas of Canada and to a broader income range. As the objective is to increase the supply of new, moderately priced housing, this measure will be specifically directed at this moderate price range of new housing. I will also be proposing legislation to provide warranties to home buyers to protect them from unscrupulous or negligent builders.

Mr. Speaker, the world economic situation is largely beyond our direct control. That which we can affect will be pursued with vigour, responsibility and sensitivity. We are determined that the continuing goal of good housing at affordable prices is achievable for all Canadians even under present difficult circumstances. We intend to continue support to a productive housing industry working toward government objectives.

We are, further, determined to maintain high levels of employment and productivity in this vital segment of our economy which employs 200,000 Canadians directly on site, a further 30,000 off site and two or three times that number who supply the appliances, furniture, rugs, drapes and other furnishings that go into a home. We have done so consistently over the years and have increased our budgets in the life of this government from about $716 million in 1967 to $900 million in 1974. I do not intend to lessen now this momentum in such a critical area of our society and economy. Indeed, the emphasis, resources and impact will be greater still, not only in homes for Canadians but in homes in cities and towns which are increasingly well planned and in an environment in which we can live richly.

To summarize, Mr. Speaker, the government has a multipronged and aggressive approach to deal with what otherwise would be an unacceptable housing picture. In the budget there is a reduction in sales tax on building materials to 5 per cent, the elimination of sales tax on construction equipment, the registered home ownership savings plan, the encouragement of private investment in rental accommodation, and other measures to encourage savings and mortgage investments.

The existing programs include a $500 home owner's grant, assisted home ownership for moderate and lower income Canadians, limited dividend rental accommodation, rural and native housing, non-profit housing, co-operative housing, student housing, senior citizens' housing, land assembly programs, land servicing programs, municipal sewer programs, the Neighbourhood Improvement Program, the Residential Rehabilitation Assistance Program, programs for innovative housing, the Federal Mortgage Exchange Corporation, mortgage investment corporations, and others which complement these. Those are the existing programs.

In the near future we will have the Assisted Home Onwership Program with private sector participation for moderately priced homes, which I just briefly outlined, the limited dividend rental program with private sector participation to increase the leverage for low rental accommodation in Broadview and all the other great places across this country, and new legislation to provide land at economic cost for low-income housing in high land cost areas. This is extremely important in major cities such as Vancouver, Montreal, Toronto and Peterborough. Also, there is the expansion and extension of our municipal sewer system assistance program which is extremely important for municipalities in bringing more housing lots

on to the market, and the warranty protection program for home buyers which I have mentioned.

Other measures might be necessary to meet new problems or opportunities as they arise. I urge, Mr. Speaker, that our home building industry and the lending institutions gear up for a year of sustained activity in 1975, a year in which housing starts can well exceed, and comfortably exceed, the minimum 200,000 units if Canada's economy continues to perform as it has and in a way which this budget is designed to sustain. I am not suggesting that it will be easy, but I am saying that every effort of the government will be expended to make it possible.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I am delighted to follow the urban affairs minister and to note how pleased he is about all the things that are going on. He says we have a multipronged approach to the housing problem. If you will pardon the terrible pun, I would say it has been devilishly ineffective, whether multipronged or not. I have been reading with great interest the new red book—we used to have *Redbook* in the United States, another called *True Romances*, and I would call this one "New Romances"—in which the Minister of Finance (Mr. Turner) tells us how good things are. In it he says:

> With the benefit of measures in this budget, and with no unforeseen deterioration of the economic environment abroad or unforeseen shocks at home, the Canadian economy is expected to grow at a rate of about 4 per cent in 1975.
>
> It is projected that about a quarter of a million new jobs will be created in 1975, on top of some 870,000 jobs created in Canada in the past two years.
>
> A determined effort will be required by all sectors of our society to get inflation down over the next few years. We are striving to get the rate below the two-digit level next year.

The Man from Glad could not have been any more soporific than that at a time of great crisis and challenging economic deterioration in this country. It is nothing more than, as a distinguished author said last week, saccharine solutions for a marshmallow world. We are going to have a bad situation in respect of employment. We received information from Statistics Canada the other day. Thanks to information received from one of my colleagues with a constituency of four different names—I refer to the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty)—it is indicated that for Hillsborough it is expected there will be an unemployment rate of 14.7 per cent for this winter. This follows immediately after statistics which show that in one year food costs at home have risen 20 points. This is not only in that province, in that constituency, but in all of Canada there will be a winter of discontent.

The other day we heard that many people in this country, a quarter of them living at the poverty line—and that is not gracious living—are reduced to eating pet food, some of which is highly unwholesome. It is alleged that Marie Antoinette once told the peasants of France that if they did not have bread to eat, they could eat cake. What the Prime Minister (Mr. Trudeau) told the Lapalme drivers to eat was neither bread nor cake. However, I do not think pet food is a very good suggestion. We are living today, not in a just society but in a rendezvous with stagflation. That is an outrageous word but it is a much more outrageous condition.

● (1550)

The Minister of National Health and Welfare (Mr. Lalonde) confessed the other day that his family was using powdered milk, but months ago he prescribed to old age pensioners a more complete diet than that—a diet of powdered skim milk, peanut butter and day-old bread. What a glorious old age for our senior citizens—stale bread, peanut butter and powdered skim milk! That was the message given to each of them with their old age security pension.

Mr. Knowles (Winnipeg North Centre): No sugar.

Mr. Macquarrie: No sugar, and no wine, which was recommended as so nutritive by the Minister of Agriculture (Mr. Whelan). So we have just stale bread at 65 years of age, after a lifetime of service.

Mr. Lang: It is not stale at a day old.

Mr. Macquarrie: One of the unfortunate developments in a political system wherein one party remains too long in power is that opportunism rises and the capacity to accept a challenge is diminished. One would like to have seen this government which was re-elected with its cherished majority on July 8 come in with a sense of direction, a sense of purpose, grateful that the people of Canada had given it a four-year mandate, instead of coming in with outrageous displays of incompetence or worse. I have heard all the arguments about who is responsible for the loss of 28 million eggs. I am not really concerned about jurisdiction or about who knew and who did not know. In a world of starvation it is an outrage that people should be so casual and blasé as to try to explain it away. It is a crime, and nothing short of a crime. I wonder what has happened to the old Calvinist sense of sin.

To suggest there may not be things in the world that require exceptionally urgent action by the Canadian government is the worst kind of myopic nonsense. We are facing very, very grave situations. I am just old enough to have some lingering recollections of the depression. I feel there is a very great danger that we may be heading into the same sort of situation. I have that uneasy feeling of déjà vu.

I think sometimes people seem to be cast in familiar roles. In Britain we have Harold Wilson, who might have been a Ramsay Macdonald, suddenly becoming garrulous. In Washington we have a Herbert Hoover without Hoover's fine intellect, great rectitude and proven internationalism. Everywhere there is a directionless sense and directionless people. In Canada we have Mackenzie King-ism; a little more stylish but a recycled laissez faire. This was the way it was viewed in 1929; that things would somehow work out and we would just sit here. We know what happened.

The only time ministers across the floor make any real reference to the international situation is when they invoke it to cover up their domestic blunders. The Minister of Transport (Mr. Marchand) is famous with his mess; that is a unique thing and he gets special credit for it. The Minister of Finance is especially good at bringing in everything from the weather to the full moon when things go wrong with his calculations.

We experienced a series of disturbances on the international scene. I do not think there is any thoughtful person who is not disquieted by the conference in Bucharest. I was not at all proud of the Canadian role there. The Law of the Sea Conference was a matter of great dissatisfaction. The recent food conference at Rome was a grievous disappointment, and the failure of our own government to deal with the matter forthrightly and fully in this House added nothing to the grim story of what went on when the gathering finally convened.

We have been making mistakes and not even trying to delineate them, much less make recompense for them. Not long ago I went with some colleagues to a part of the world where starvation was not a dictionary word but a daily occurrence. Life there was really precarious. I came back to this chamber and found this government, the same one that is here now, paying for non-production of food in this country. That is another crime, Mr. Speaker. No man, no government, no organization in a world where food has become a constant and vital reality should ever encourage the non-production of foodstuffs. But we did just that. The same people who piloted that bill through the House were quite capable of rationalizing their subsequent failure in other realms by referring to the shortage of food in the world.

Another very significant food product is fish, yet this government has allowed our fisheries to be ravaged and raped with impunity. It is well that the Arctic is not a good fishing ground, because it would be even easier for anyone to go in there and take what they liked.

Mr. Stanfield: They fly over it twice a year.

Mr. Macquarrie: Yes, they fly over it twice a year and might catch them between seasons. Daily, food is being wasted on our coasts.

Mr. Fairweather: Sovereignty on the instalment plan.

Mr. Macquarrie: Food is thrown away; it is wasted by the ships of other nations. Seemingly, we have no capacity of leadership to bring about correction of these problems. There are problems which should shake the complacency of a government that cares; problems of our own that are grave enough, without trying also to fortify ourselves, as we must, against the buttresses which will come from a deterioration in the international economy. That is as clear as can be, with fluttering currencies, faltering economies and lack of confidence all around. Of course we are heading for tough days, and we have to recognize and fight them in order to sustain our own economy and look after our people. We do not do that by tepid conferences, rotten eggs and the jerks and starts so apparent in our relationship with the United States.

An hon. Member: And the jerks in government.

Mr. Macquarrie: One of my colleagues says it is the jerks in government, but as you know, Mr. Speaker, I am too polite to call them that. I would not call them anything worse than insensitive incompetents: I would not think of calling them jerks.

There have been some fine speeches in this debate, and I commend hon. members who have taken part. I am a great believer in general debate in which representatives deal with the issues affecting all people. I was much attracted by the excellent address delivered by the hon. member for Saint-Hyacinthe (Mr. Wagner) and that of the hon. member for Winnipeg North (Mr. Orlikow) who pointed out something very significant in this budget, namely, that at a time of inflation and because of the way this economy is handled, the people who suffer most are those who can least afford to suffer at all; that is, the poor people. That is the problem. The rich are doing quite well and the government is doing quite well out of inflation. It is not a bad time for those two groups. But it is hard on the middle-class, and unbearable for the poor.

● (1600)

The hon. member for Winnipeg North was dead-on when he pointed out that the taxpayer earning $6,000 will, according to 1975 schedules save $183 and the fellow earning $30,000 will save $622. If I may be scriptural, let me ask for whom, then, should the government show greater concern; for those who most need care, or for those who do not? I submit that a good government cares most for those who most need care. Experts have for years studied our income tax structure, yet for 1975, when the poor will suffer greatly, the taxation system will be regressive and will injure most those who are at the bottom of the scale. The lot of those at the bottom of the income scale, those close to the poverty line, will become worse, day in, day out, as inflation rages. Their difficulties will become more acute until they become unbearable. Yet we are told that the world looks on us as an example of how to deal with people and manage an economy.

I associate myself completely with the motion moved by the Leader of the Opposition (Mr. Stanfield). As my political ambitions are limited, and as my transition from a slowly aging politician to a mature, elder statesman will be accomplished only by the passage of time, I am able to say exactly what I like. As the present crew of our ship of state is more interested in the design of the cabin and the colour of the hull than in the direction in which we are travelling, I wonder if the Leader of the Opposition, who has displayed more knowledge of the economic structure and problems of this country, and more genuine compassion for the plight of our people than anyone else in this House, will reconsider his announced intention to leave the public life of this country.

There were times in ancient Rome when they had to ask people like Cincinnatus to return and help guide the ship of state. As Rome was only about 50 miles long, that journey was not too difficult. But I am wondering if the hon. gentleman should settle in Halifax because I am convinced, fearfully and painfully, that we shall need him in this country. The present crew in charge of the ship has lost control. Although the people of Canada expressed themselves in their vote—and we accept their view and the ancient saying *vox populi vox dei*—yet I think they will find the next four years exceedingly long, and in the next election we shall not hear very much about minority governments not being as good as majority governments. So I hope that the mover of this motion will still be available to our country in the future because I am sure the need for him will be painfully apparent.

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am happy to participate in the debate on the budget because in such debates one may talk about the budget and about special difficulties in one's own constituency. This opportunity is especially welcome if one represents a constituency in the north of Ontario. I congratulate the Minister of Finance (Mr. Turner) on preparing this budget. I am told that his parliamentary secretary had a major role in its preparation.

Mr. Knowles (Winnipeg North Centre): At least we know whom to blame.

Mr. Foster: The difficulties facing the world are unprecedented. They are a reflection of the instability which exists in the international sphere, which is partly the result of terrific balance of payment difficulties faced especially by oil importing nations.

Mr. Stanfield: Among those numbers Canada may now be counted.

Mr. Foster: We are witnessing the most serious world inflation of 20 years, accompanied by a serious downturn in the economy of North America, especially that of the United States. May I draw attention to what the United States president of the United Auto Workers told a meeting in Canada which he addressed recently. Leonard Woodcock was speaking to 500 delegates from the union's General Motors Corporation council at a meeting in Toronto. The United States economy was under consideration, and Mr. Woodcock said that at least the Canadian budget proposes income tax cuts for individuals but increased corporation taxes. Clearly, the good points of our budget are being recognized at home and abroad.

The budget takes into account threats to our economy posed by inflation, recession and unemployment. The Minister of Finance has chosen to counteract inflation by restraining government spending and by encouraging increased production of goods and services. At the same time, budget measures will increase take-home pay, especially of those in low income brackets. The budget also deals with unemployment. It proposes to increase personal tax cuts in 1975. It will lead to a turnaround in our economy. The present budgetary surplus of $250 million for this year is to become a deficit next year of $1.50 billion. This will present a total budget turnaround of $1.75 billion. The government will incur this deficit because it will implement reductions which were announced first in the May 6 budget. The original 5 per cent proposed tax reduction is to be increased to 8 per cent, the minimum saving is to be increased from $150 to $200 and the maximum to $750.

Mr. Stanfield: There was no 5 per cent cut.

Mr. Foster: In addition, personal income taxes will automatically be reduced as a result of the 1971 tax reform bill because the rates are reduced by this bill. As well, indexing provisions will lead to higher deductions for those paying income tax. For instance, a married taxpayer earning $10,000 a year will increase his take-home pay by about $250 per year as a result of the proposed tax cuts. The budget also contains provisions which will bring important improvements in the position of senior citizens. There is provision for a deduction of up to $1,000 from a personal pension. Of course, senior citizens and others will be able to claim up to $1,000 derived from interest or dividends, as tax-free income.

This provision is important because I have always thought it unfair that the person who has saved money, bought savings bonds or made other investments should pay tax on the proceeds of that investment. The provision of which I speak will allow a certain portion of such returns—that is, up to $1,000—to be free of tax. This budget moves to remove the inequity that existed in this area. It is also proposed that any deduction which is not claimed by a senior citizen may, if it is advantageous, be claimed by his or her spouse.

• (1610)

I wish to refer to the items in the budget which are designed to stimulate housing starts in this country. The Minister of State for Urban Affairs (Mr. Danson) indicated that the number of units being started this year has dropped back from the record high level of 1973. The minister recently announced a $500 cash grant for each new house of moderate value. In his budget, the Minister of Finance followed this up by an immediate reduction of the 11 per cent sales tax on building materials to 5 per cent. It is estimated that this will save $650 on the price of a new house.

The budget also proposed special capital cost allowances on new, multiple-unit residential buildings for rent, which may be claimed against any source of income. This will channel a great deal of new money into the housing industry. The sales tax on construction equipment and materials used in municipal water distribution systems will be eliminated. A new registered home ownership program is in the budget. This will allow young couples to save for a new home, tax free, up to $10,000. It will encourage young people to save for a new home. I am glad these measures are in the budget because they will stimulate housing starts and provide new jobs in a North American economy that has turned downward this year.

However, and even more important in my constituency, these housing starts will increase the demand for forest products, especially lumber. Perhaps no industry in the Algoma district has seen such a dramatic turn around in the past year as the lumber industry. A year ago, prices were at record high levels. In many cases these prices have been cut in half in the short time span of one year. Some one-industry towns, such as Blind River, have had their only industry shut down due to lack of demand and low prices for their products. Several other mills throughout the Algoma area have also had to shut down or curtail their operations.

I believe that these budget items will increase the demand for lumber and building materials. However, at the same time I realize that much of our lumber is sold into United States markets. Their housing starts are down by 50 per cent from last year. Until the U.S. market improves, the industry will not return to a fully healthy state.

Within the past few days the Minister of Manpower and Immigration (Mr. Andras) announced Local Initiatives

Program approvals for this coming winter. They will provide temporary help during this time of seasonally high unemployment, especially this winter when the lumber industry is depressed. Some 24 projects have been approved for the Algoma-Manitoulin area which will create 100 jobs this winter and cost some $320,000. There are also several projects under way in the constituency under the winter capital project fund, worth over three quarters of a million dollars, which will create more jobs this winter. This program will make improvements to community arenas in several communities throughout the constituency. Likewise, it will construct new township and community buildings and medical clinics. Several smaller projects have been approved, such as the improvement of libraries and other buildings. This past weekend I attended the official opening of a new arena at West Bay in my constituency. It was built largely with winter works funds from previous years.

The nearly $1 million dollars in winter works programs will be most beneficial due to the serious turnaround in employment caused by cut-backs in the lumber business. There is a strong feeling throughout the Algoma district that this kind of program, funded by the federal government, is much to be preferred to the payment of welfare and UIC benefits. At the same time, many worth-while community projects are being carried out to provide winter employment which would ultimately have to be paid for by the municipalities whose budgets are already stretched to breaking point.

I would also like to mention the problems facing the beef industry in this country. In some ways the problems are similar to those of the lumber industry, in that prices were at record high levels a year and a half ago, and although the price of top quality, finished cattle is at a reasonable level today, input costs have risen dramatically over this period of time. Items like feed grain for fattening, fuel costs and baler twine have risen in price to levels that remove all profits. However, the real disaster in beef farming is in the cow-calf operation. Most of the beef industry in northern Ontario is cow-calf operation. The two fall sales in the Algoma riding, at Thessalon and Manitoulin, saw a drop in price this year from last year that can only be termed disastrous.

Let me quote from a letter written by the president of the Manitoulin Livestock Cooperative. This letter expresses the deep concern of the board of directors at the depressed prices of feeder cattle and the whole future of the cow-calf farmer. No other business has been forced to take a 30 per cent drop in wages in the past year. The board of directors indicate that unless action is taken many of the cow-calf operators will be forced out of business. The price at the September sale this year was 34 per cent below the 1973 price and 7 per cent below the 1972 price. At the same time, these farmers indicate the following price increases: gasoline up 29 per cent; diesel fuel up 51 per cent; baler twine up 238 per cent; fertilizer up 66 per cent. The letter goes on to indicate that there was a reduction in this one fall sale of returns to the farmers of Manitoulin of $300,000.

The Minister of Agriculture (Mr. Whelan) announced a stabilization program for beef cattle in August of this year. It is difficult to assess the full impact of this program, but certainly finished beef cattle prices have been better in Canada than they have in the United States. However, the program seems to have had little effect on calf prices, and this is where the main problem lies today. The minister has indicated that stabilization legislation will be brought forward during this parliament to ensure that beef producers receive adequate prices for their cattle. The problems of beef supplies and prices have been further complicated by the recently announced U.S. quotas on Canadian beef exports. Over the long haul it is desirable for us to have an open border between Canada and the U.S.A., although the present system of quotas imposed by both countries is probably less harmful to Canada.

The problem facing the beef industry must be of very serious concern to parliament and to the government. It will take every bit of our ingenuity and skill to design programs to ensure the long-term stability of this industry. Only with such stability can we ensure the provision of adequate supplies, at reasonable prices, for the consumers of this country.

I want now to refer to the uranium mining industry because of the importance of the mines located at Elliot Lake in the Algoma riding. In the past year or so there has been a great deal of concern expressed by these miners concerning problems of health in the mines, especially silicosis and lung cancer. The problem of silicosis was first raised by Dr. Charles Stewart of the Workmen's Compensation Board of Ontario, who is responsible for chest x-rays and studies of this nature. It has been indicated that over 120 miners now are receiving Workmen's Compensation Board pensions due to some degree of disability, and others have symptoms of dust affecting their health.

● (1620)

Likewise, a recent paper by Dr. Jan Muller of the Ontario department of health which studied the incidence of lung cancer indicated that 41 people had died from the disease between 1955 and 1972. This figure was obtained from a survey of some 8,500 who had worked in the uranium mines during this period. Dr. Muller's paper indicated that this rate was about three times that which would have been expected in the general population. This is surely a matter of serious concern.

What is not known is whether these health threats are mainly the result of working conditions in the early days of uranium mining in Elliot Lake, when there were many mines in operation with a strong orientation toward production and lower standards of ventilation and less protection from exposure to radioactive substances, or whether there are still conditions in these mines which make them less safe than other mines in the province. To try to discover these facts the Ontario government established two health studies this year and a royal commission concerned with the health and safety of mine workers.

One health study has been directed to the examination of the miners themselves, using x-rays, pulmonary function tests and sputum tests. This study was carried out last spring, but as yet no report has been released. The other study to which I referred is designed to test and assess the mine environment. A test of dust levels would determine the amount of free silica in various parts of the

mines. Examination will also be made of the levels of radon gas, which is harmful because it is radioactive. The study will also determine whether there are harmful levels of gases from the diesel equipment used in the mines. Hopefully, it will also be determined whether these three factors have a multiplying harmful effect when all are present.

The royal commission has broad terms of reference to look into matters of safety and health in mines in Ontario, as well as compensation programs for disabled miners. I believe the royal commission's role is most important because it will be able to bring a balanced judgment to these matters and make recommendations should the medical and technical studies not reveal all the details of the difficulties involved, either in the health of the miners or the dangers of the mine environment.

With the results of the studies and the testimony given at the hearings, it will be possible to assess the adequacy of the present system of maintaining a healthy environment in the mines. If it is inadequate, the commission will recommend improvements. At the same time, the commission will make recommendations on the safety of affected miners to continue working, and adequate compensation programs for those who are disabled.

I had the opportunity to attend an international symposium, in September of this year, in Bordeaux, France, on the dangers of radiation in the mining and milling of uranium and thorium. Three representatives from the United Steel Workers of America in Elliot Lake, as well as representatives of the Department of National Health and Welfare and the Ontario department of health were in attendance. Great emphasis was placed on the dangers of radon gas as a cause of cancer. Considerable stress was given to the necessity of more frequent testing of the mine environment for this gas to ensure that there is adequate ventilation. It was also stressed that the testing should be done by an independent agency.

The Department of National Health and Welfare is planning to launch an experimental study this winter to develop a testing procedure which will show the cumulative amount of radioactive gases to which miners have been exposed in uranium mines. There is real urgency to see these health matters resolved, Mr. Speaker, both to correct any inadequacy in the mine environment which may be discovered and in the health and compensation programs for affected miners. Equally important in these studies is the need to ensure trust and confidence in mine safety and health programs in both present employees and in new people who will be coming to work in the mines in the future. It is estimated that last year's production of some 4,100 tons of U_3O_8 will be increased to 8,000 to 9,000 tons by the early 1980s at the two operating mines of Rio Algom and Denison. The labour force will grow from some 1,500 today to 4,500 in the next ten years. Service industry people will add another 1,200 workers to the Elliot Lake community.

At a recent meeting I attended with officials from the municipality, the province of Ontario and the mining companies, we discussed the question of housing and community services for a township which is expected to grow from a population of 9,000 today to nearly 26,000 which is projected over the next ten years. There can be little doubt about the importance of Elliot Lake to Canada and to the world, a world which is starved of energy and which will be more and more dependent upon uranium as a source of energy in the future.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, it is a pleasure for me to participate in the debate on the budget and I also congratulate all those who have taken part in it.

Mr. Speaker, the budget makes worthy recommendations but when one speaks of checking inflation, as the government has been doing for so long, and ensuring Canadians economic stability, I have serious doubt that those objectives can be achieved.

Of course some Canadians will benefit from some of the measures proposed by the budget. On the other hand, in view of the present situation, I feel it is important, and we can do so very objectively, not only to blame the government but also to insist that it give much more serious attention to some measures which unfortunately are not contained in the budget.

With regard to what it now proposes, I should like to say how we can have citizens benefit from it directly in some cases. But I shall come back to that later.

I deplore especially the lack of agricultural initiatives. I should have thought, Mr. Speaker, that this government would have given some priority to agriculture in view of its present difficulties and the present situation. I am sure the government and all hon. members now in the House know very well what I am alluding to. They know what the situation is. This is a bad situation, and a disastrous one for the farmers and it could have regrettable consequences in view of the government's inaction in the field of agriculture. The budget speech therefore contains no farming measures, when action should be taken so urgently.

● (1630)

During the last election campaign, our party had committed itself to grant old age security at 60. I do not think I am mistaken in saying that the Prime Minister did what we wished him to do when he suggested to Canadians that he would seriously consider this possibility. I am not saying that the Prime Minister had committed himself to grant old age pensions to people 60 years old. But, in support of our argument, which was valid and interested many people because of the advantages it would provide for Canadians, the Prime Minister had suggested that he was ready to consider this possibility. However, the budget speech contains no mention of the possibility of lowering the eligibility age for old age security from 65 to 64 over a five year period. I believe that this would have been very useful for our society and the Canadian public.

Unfortunately, these omissions are justifiably disappointing for many Canadians and I especially regret them. However, this will not prevent me from asking the minister responsible and the government to reconsider these measures because they are of vital interest for all Canadians.

Mr. Speaker, I had also hoped that special votes would be announced for the establishment of basic recreational facilities in our communities. Some may say that this

would go against provincial jurisdictions. I believe it is possible to establish—

Mr. Béchard: It is sad to say such things.

Mr. La Salle: If the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) will listen to me, I shall make him a suggestion that he will certainly accept.

I believe it is possible to propose a measure or votes within a policy of tripartite financing.

Mr. Béchard: What the hon. member is saying does not make sense.

Mr. Stanfield: The government has destroyed the provinces.

Mr. La Salle: If the hon. member for Bonaventure-Îles-de-la-Madeleine will just listen to me, he will realize that a three-level financing policy could be established in co-operation with municipalities and provinces. The municipality which could share 25 per cent in a leisure-connected project could make an application to the province concerned which, in turn and within the limits of its own planning, would accept or refuse to participate as a province for 25 per cent of the cost, which would entail, following the province's decision, the undertaking of the federal government to share 50 per cent of the expenses.

I feel this three-level policy is financially sound and would not limit provincial jurisdiction in any way. I feel also that the provinces would be eager indeed to participate in such a policy. As the hon. member for Bonaventure-Îles-de-la-Madeleine indicated, people will not stop until they have told us that it is illegal. This formula has never been put to the test, and I think that provinces as well as municipalities would be very happy to participate in such three-level financing policy.

I think that we would abide by provincial jurisdictions to the letter if ever the minister responsible suggested to the provinces and municipalities such a policy which would enable the latter to establish basic recreational organizations rather more interesting that any amateur sport policy now existing.

Mr. Speaker, as all other members, I am told that the estimates for the New Horizons Program are inadequate. It is a really fine initiative which I applauded. I was quite pleased to see that the government had introduced such a policy. Unfortunately, many clubs of the golden age in our constituencies have to wait one or two years before obtaining their grant. We know perfectly well that those grants are extremely useful since they allow a group of individuals to meet in the proper premises and keep their zest for life. I urge that supplementary funds be made available to those groups, in order to carry on adequately—an interesting government initiative.

Such is not the case at the present time. I think all hon. members will agree with me that a lot of golden age clubs have to wait too long before they reach their very legitimate objectives.

An hon. Member: Where will the funds come from?

Mr. La Salle: They will have to come from elsewhere! Mr. Speaker, I should also like to draw the government's attention to the fact that, in my constituency, the matter of protecting properties situated along the river, particularly in the communities of Lanoraie, Lavaltrie and Saint-Sulpice, has been outstanding for a long time. I made several representations to the Department of Public Works. I always got the same answer. My proposals on behalf of those individuals are all fine, but there are no funds. I think it is time to lift the concern of those riverside residents whose properties are shrinking because of erosion caused by ships or tides. I recently heard that if the Treasury Board agreed to make the necessary funds available, the building of a 15,000 foot protection wall would finally be agreed to. I believe the Department of Public Works could find the necessary funds to carry out that project which would put an end to that unfair situation of those residents. I think requests to that effect were made as early as 1958. Therefore, I have not been the first member of Parliament who made recommendations and representations respecting that most important project.

Mr. Speaker, as I said earlier, some of the budget speech measures are quite commendable. And yet I was wondering how we could apply them so that they would benefit the consumer. Let me take for instance the 12 per cent tax on building materials which will be reduced to 5 per cent. We have learned from past experiences in the area of sweets as well as clothing and footwear that the removal of the 10 per cent tax did not benefit the consumers. For instance, we now pay 22 cents for a chocolate bar that was priced 10 cents. Soft drinks were 15 cents, but today they cost 25 cents. Mothers know very well that the removal of taxes on clothing and footwear did not benefit them too much, except that it was a way fo subsidizing industries and intermediaries. Since the minister lacks control over building materials, I wonder how he will manage to enforce this tax reduction which he thinks will directly help new house owners, that is consumers. I do hope the minister will take the necessary measures in that regard and will create a review board or whatever so that in the end the tax cut will really be passed on to consumers or new house owners. But today, in view of the experiences I mentioned and which we have lived, we must unfortunately question seriously the efficiency of such measures.

Finally, Mr. Speaker, as our time is quite limited, I would also like to raise the matter of the extraordinary powers which the government intends to avail itself regarding natural resources within the provinces. In view of the Minister's statement and of Bill C-32 now under consideration it seems that the whole confederative system is questioned and that these extraordinary powers relating to natural resources are defined simply and purely by the word centralization.

This brings us to a confrontation between the provinces and the federal government. Alberta is a perfect example of the marked differences in this country. I understand that Albertans are anxious to keep their provincial rights and jurisdiction. We do recognize at the outset that, constitutionnally, such powers belong to the provinces. The interference of the federal government on the basis of those intentions should concern us as MPs, and especially those of us who want to see the provincial rights respected.

● (1640)

May I take this opportunity to congratulate our leader, the Leader of the Official Opposition (Mr. Stanfield) for the respect he has shown ever since he has been the head of this party, for the vested interests of the provinces. I also entirely agree with the statements he made and the views he expressed.

Today, it is the province of Alberta which is confronted with the measures this government intends to take. But if we consider the extended powers they contain, when speaking about natural resources and control of our energy resources, we must understand that, as Quebecers, we should also be concerned because, tomorrow, our mines and water resources might be involved.

I am also concerned by Quebec Premier's stubborn silence, for in the next two years, he is likely to want to sell his electricity to the United States.

The right hon. Prime Minister (Mr. Trudeau) and the federal government will be able to apply restrictions as easily as they did or intend to do. I am also concerned by the silence of little Robert in Quebec and when mentioning little Robert I do not mean the dictionary, but his silence worries me.

As members from Quebec I think we should ask ourselves some questions because I believe it is our responsibility to compel the Quebec premier to publicly tell if he endorses the intentions of the federal government.

When the minister, Mr. St-Pierre was attacking, last week, the encroaching of the federal government I found surprising the muteness of the Quebec premier. It is not the first time that Quebec ministers make representations to the federal government, in the telecommunication or immigration field or another area. Recently, Mr. Choquette was claiming a few million dollars as did the Ontario Government. Today, Mr. St-Pierre is attacking the federal government and worries about the extraordinary powers it intends to take. He invites the provinces to get together to fight against interference by Ottawa. Most surprising is that the Bourassa government did not say anything about it yet.

I think that as members from the province of Quebec we should oppose a categorical refusal to these centralizing powers if we are to maintain the objective of national unity that is mentioned at every electoral campaign.

Today, Mr. Speaker, we recognize obvious disparities and not only at the regional level. The ten provinces have differences, different needs and this for different reasons. I think it is normal and it might be more logical to talk about national harmony. It is urgent to reach this national harmony objective as national unity is not for tomorrow. But I think possible to harmonize differences. To recognize that we are different and coordinate measures with the provinces at the federal level and not to centralize, that is the final objective we must aim at.

It is important that members of the House understand what makes us different and what prevents us from attenuating many of our problems. So long as we do not respond to that wish on the part of the provinces to invite the federal government to play the role of a coordinator and not that of a centralizer, we are going towards a failure, and the results will be deplorable.

I for one believe that it is our duty to engage a pitched battle against federal government infringement upon the jurisdictions of the provinces. For us, Progressive Conservatives, it is a decision that we will not be long in announcing. We are going to engage, for the respect of the provinces, precisely for their survival, what we think is a perfectly legitimate battle. In this way, we are assuming our responsibilities.

I hope that the members from Quebec will respond in the same manner to defend the interests of their province.

I congratulate the people from Alberta for eagerly defending their rights to the natural resources of their province. And let no one tell me that in the interest of the national good these powers have to be taken away from the provinces. It is unthinkable that a federal-provincial meeting cannot produce interesting results for the whole country's welfare.

I suggest that these meetings are not enough. There is no need for confrontation but we should get together again with the provinces as often as necessary. I believe that negotiations between provinces should be carried out by people who understand the interests of the country and of the province itself.

Therefore, Mr. Speaker, we are mistaken if we believe that these powers should be handed over to the federal government. It is quite an easy thing for the federal government, during wartime for example, to take over those powers which belong to the provinces and then later to refuse to give them back. Today we are being asked to believe that these powers must be taken over and away from the provinces once again in the national interest.

But the national interest would be to have the provinces satisfied in order to bring about the kind of national harmony where differences are being acknowledged and where we are still being asked to participate in the meaningful building of this country.

We do not ask those who are different to build the country with the same tools as we are using. What is important is to build a wonderful country, of course, but with certain differences. This could be acceptable. The differences would be justified, taking individual differences into account.

That is a fact, let us acknowledge it and I think that we would be taking a step towards that much needed harmony but not through centralized powers such as is being recommended in the budget before us.

[*English*]

Mr. Robert Daudlin (Kent-Essex): Mr. Speaker, I rise to take part in this debate as the proud representative of the counties and riding of Kent-Essex, the constituents of which collectively decided at the recent election that their voices and opinions should be expressed once again, after some considerable time, from this side of the House.

Kent-Essex is a balanced rural-urban riding located in what must be viewed as probably the most productive and arable agricultural soil in this nation. The north edge of the riding is bounded by the winding Thames on whose shores is located the city of Chatham. That city owes much of its productivity to the auto pact. The residents of Chatham look forward to the continuation of that pact

and, contrary to much of what I have heard here, they feel it will continue for some considerable time in the future. In addition, Chatham is famous for its food production and owes, as does the town of Leamington with its processing of tomatoes and corn, a great deal to agriculture. I would hasten to indicate, when speaking of Leamington, that it is very widely known as the tomato capital of the world.

Moving to the west and then southerly, we go through a number of small towns and villages such as Tilbury, Cottam and Merlin which have sprung from the rich soil and its food production, the residents of which continue to give strong support to the Minister of Agriculture (Mr. Whelan). Many of the constituents of my riding have told me over and over again of the good work the Minister of Agriculture has done. Many of them have said that never has a man so well and so frequently protected, supported and nourished the rights of farmers.

At the southern edge of the riding, bounded by the ever cleaner waters of Lake Erie, exist a number of fishing ports and harbours stretching from Kingsville to Wheatley, each of which proves that in fact the fisheries of this nation do not exist only on the coastline but that we indeed have a substantial fishing industry inland which is doing its part in the production of food for the world. I would be remiss if I did not point out to the House, as well, the acres of greenhouses that exist in the riding, producing tons of cucumbers, lettuce and tomatoes, the latter having justifiably earned for the town of Leamington the designation of being the tomato capital of the world, as I said just a few minutes ago.

I also have the honour to represent the southernmost part of Canada, Pelee Island, just off Point Pelee National Park. Its inhabitants are linked to the mainland by ferry and a recently upgraded airport. It is interesting to note that when I visit Pelee Island in my riding I am substantially further south than the most northerly part of California.

I should now like to speak briefly about a few of the things I have learned since coming to Ottawa. It appeared initially to me that certain superlative adjectives seemed only to belong to members of the opposition. It seems that whenever anything is terrible, whenever anything is cowardly, inconsistent or dishonest, these are adjectives which can only be used by the opposition to describe something which has happened on this side of the House. I have scurried to the dictionary to see whether in fact this is true. I am pleased to be able to announce to the House that these words are totally non-partisan and are not the sole prerogative of the opposition; rather, I suggest to you, Mr. Speaker, my friends on the opposite side of the House are dealing in excess.

● (1650)

I am pleased to say that I have learned, when I go back to my riding, that my constituents have also discovered this fact. It appears they are not concerned whether in fact the government is cowardly or is guilty of conduct described by the other adjectives I have used. They are content that this government is living up to what it said it would do if it were elected on July 8. I should like to advise the House as well, Mr. Speaker, that it seems to me the new members who have come to this House are following a respectable, good trend in respect of the speeches they have made here. I think we are attempting—and I claim this for myself since I do not intend to speak for very long—to keep our speeches to a minimum, to be direct in our approach and not to deal in verbiage and excess. In this small way we will get on with the business of government. I think this is a healthy sign and I hope it continues.

I should like now to refer to the amendment on which we will be voting this evening. It reads in part:

—failing to mount a concerted attack on domestic inflation while at the same time proposing measures which contribute to national disunity.

I confess that, faced with such a strong and negative statement, I returned to the budget statement to reread it lest I had somehow failed to appreciate the full significance of what I had heard last Monday evening or had completely misunderstood it. I found, among the budgets other provisions, that people in my riding and the citizens of Canada generally will receive the 5 per cent tax reduction brought down in 1973, and that the minimum tax cut is to be increased to $150 from $100. My mental arithmetic interprets this as an increase of 50 per cent, which I confess I am unable to describe as insignificant or as no effort to curb inflation.

I find, further, that for 1975 the basic income tax reduction is increased from 5 per cent to 8 per cent. This is an increase of 60 per cent, which I also find difficult to describe as an insignificant effort to curb inflation. In addition, I find that by reason of the increase in the minimum income tax cut to $200 and the increase in the maximum cut to $750, federal taxes will be reduced by $615 million in 1975-76 and two-thirds of that amount will be enjoyed by people earning less than $12,000 a year. If that be so—and I cannot but accept that it is—then the people in my riding, and I am sure all Canadians, will not read this provision as being insignificant and will not accept that it does not, in fact, deal very effectively with inflation.

I see, as well, that a wage earner with two children who in 1975 earns $10,000 will increase his take-home pay by $300 as a result of these deductions. While my colleagues on the other side of the House may have difficulty describing $300 as significant, my constituents do not. I can only conclude that if my constituents view all these things of which I have spoken as significant, and I and my colleagues view them as significant, then my colleagues on the other side must be either misguided or misinformed and I invite them to read again the budget speech of the Minister of Finance (Mr. Turner) on Monday last in order to arrive at some new conclusions.

Earlier I spoke of the greenhouses in my riding. I should like to refer to them again in order to emphasize the interest my constituents must, of necessity, have in our energy policies. These greenhouses, of necessity, consume a large amount of natural gas, oil and—not so much now, but of late—coal. The cost of these forms of energy has risen tremendously in the last few years, to the extent that we have now reached a point where the production of lettuce, cucumbers and tomatoes is reaching a marginal position. If, in fact, something is not done to protect the

producers against these rapidly rising costs, these products will of necessity be removed from the market. I suggest it would be a disservice to this country if these three crops were removed form the market, because then we would become reliant upon importations from California, Mexico and the southern United States in order to fulfil the demand of the consumers of this country.

I suggest that a possible answer to the problem with which the growers in my area are faced would be, in fact, to allocate a certain portion of the available energy to the production of food; and coupled with the portion of energy which would be allocated to food production, the price would in some manner be stabilized so there would not be a continuing price spiral in this type of food. I suggest that we cannot do without the three crops of which I speak. I think tomatoes, cucumbers and lettuce form a large part of the diet of Canadians and are not items which consumers are prepared to leave out of their diets.

Dealing further with energy and related products, I should also like to refer briefly to fertilizer. The constituents of my riding are concerned about the cost input of fertilizer. I understand that the nitrate fertilizers are increasing in price in a spiral of 100 per cent to 200 per cent. I am glad that the government has announced it is prepared to examine this industry to determine whether the profits are acceptable and, if they are not, to do something about it. I suggest that my constituents, as late as last weekend, are tremendously pleased with the budget as it has been described to them. If nothing else, they see that in fact the government has been honest with them in that it ran an election campaign based on a budget, and since the opening of parliament they have seen brought forward a number of measures which were promised in the election campaign. They see in the budget measures they were told about last May. They see these measures repeated. I suggest that they see not measures of cowardice but, rather, of bravery.

It seems that the amendment to the budget, and the subamendment voted on last week, are examples of what I have come to expect from the opposite side of this House: it is a repetition of what I believe to be formalized in the phrase, used over and over again, "too little, too late." It seems to me it has become much too easy to say this. Perhaps it is viewed as the role of the opposition—though I cannot accept this—to criticize without coming up with any constructive suggestions.

● (1700)

I feel constrained to say that we on this side of the House have learned something and have lived up to our promise to return the budget voted on by the people. With regard to those on the other side of the chamber, it appears they have failed to learn the lessons of July and have come back with a position rejected by the people of Canada. For this reason, Mr. Speaker, I speak against the amendment and in favour of the motion. The budget, in all its terms, does in fact deal with the problem of inflation, although perhaps not in the same manner as my friends opposite would have dealt with it. But I am mindful that their proposals were rejected by an even greater voice than ours. I am prepared, therefore, to vote for the motion and against the amendment.

The Budget—Mr. Gilbert

Mr. John Gilbert (Broadview): Mr. Speaker, I am pleased to see the Minister of Finance (Mr. Turner) and the Minister of State for Urban Affairs (Mr. Danson) in the House this afternoon. The more speeches I hear from the Minister of State for Urban Affairs, the more displeased I become with his policies and those of the government. I have never seen a more startling array of deceptions and disappointment for the people of Canada than are set forth in this budget, Mr. Speaker; and I shall mention only four areas: first, the attitude of the federal government toward the resources of the western provinces is a blatant attempt to shake the bonds of unity within Canada; second, the federal government's charging of the equalization formula concerning tax revenues on resources, without consultation or agreement with the provinces, is shocking; third, the $50 tax allowance to taxpayers, and the attempt by the government to indicate that it is $150 when in fact $100 was in the 1973 budget and $50 in the May, 1974, budget, is a clear deception.

The $50 allowance for 1974 amounts to 96 cents per week for the average wage earner. In a recent statement, John Deutsch, former head of the Economic Council of Canada and now principal of Queen's University, said that the workingman has lost $5.95 a week in purchasing power as a result of inflation. Now the Minister of Finance comes forth with an allowance of 96 cents per week for taxpayers and asks them to apply restraint in future wage demands. That is a disappointment, Mr. Speaker.

The fourth area, and the one to which I shall devote most of my speech, is the wrong and feeble approach of the government to the serious housing problem in Canada. In his budget speech, the Minister of Finance referred to the short-term prospects for construction of new housing and said it threatened, first, to reduce employment; second, to raise production costs; third, to increase housing prices and rents; and, fourth, to reduce the supply of new housing. He said these things would lead to a lower standard of accommodation than Canadians deserve. Mr. Speaker, he is right on all counts. With regard to reduced employment, the 25 per cent reduction in housing starts from 269,000 in 1973 to 173,000 in 1974, means on a seasonally adjusted basis, the loss of nearly 100,000 full-time jobs in the construction industry alone, in addition to thousands of jobs in manufacturing, in the saw-mills and forest operations.

In regard to the statement that it would raise production costs, already inflation has caused building products to soar in price and be in short supply. The minister's prediction of two-figure inflation in 1975 is not an encouraging sign. With regard to increased housing prices and rents, we already have the highest home prices, the highest land prices, the highest mortgage rates and the highest rents ever experienced in Canada, with little or no hope of experiencing any reduction in these areas. The result will be what the minister has predicted, a shortage of housing starts and a lower standard of housing in Canada.

Where has the government failed in the budget with regard to its measures for housing? First, it has failed to take measures to implement the philososphy on housing, namely, that every person is entitled to adequate housing, at reasonable cost. This was the impact of the Hellyer report on housing, the Canadian Council on Social Development, the New Democratic Party, and even the pred-

ecessor of the present minister who said in the early part of this year that adequate housing, at reasonable cost, was the goal of the Liberal government. This afternoon the same philosophy was repeated by this minister.

Mr. Speaker, the minister and the government have decided to treat housing as a commodity from which financial institutions and rich people can gouge the highest possible profits for themselves. In fact, in a speech made at the Inn on the park in Toronto on Wednesday, November 20, before Property Forum '74, the minister set forth his philosophy on housing when he said that financial measures set forth in the budget and other government programs would achieve "more bang for the buck" for builders, developers and entrepreneurs. Mr. Speaker, this is the most crude and cruel statement I have ever heard from any minister of housing. When he talked about "more bang for the buck" he issued an open invitation to speculators, builders, developers and financial institutions to gouge as much profit as they can from land prices, house prices, interest rates and rents.

Mr. Danson: Read the whole speech.

Mr. Gilbert: He does this at the expense of middle and low income people on the pretence that it will give all Canadians the kind of housing they need. The measures set forth in the budget will do exactly what he claims; they will give these people "more bang for the buck". That is the theme of this minister. The government has failed to provide measures to create an increase in housing starts and an increase in land banking of serviced land. It has failed to deal with land speculators and to give direction to financial institutions to set aside part of their portfolios for housing at an interest rate of 6 per cent for middle and low income people. Housing is a social right and financial institutions have a social responsibility to respond to housing problems in this way. None of the measures in the budget will remedy the high cost of land, the high cost of homes, the high cost of interest and the high rents experienced in Canada today.

What has the government done in the budget, Mr. Speaker? First of all, the government reduced the sales tax on building and construction materials to 5 per cent. This afternoon the minister said this would mean a saving of approximately $650 to a home purchaser. I would point out to him what was stated in the *Globe and Mail* of November 20 by James Purdie:

> The reduction of federal sales tax on lumber and building materials will produce almost no benefits for retail purchasers for at least three months, and even then the savings will be small, industry officials warned.
>
> ● (1710)
>
> Howard Perkins, president of the Lumber and Building Materials Association of Ontario, said in an interview that the full sales taxes of 11 per cent on lumber and 12 per cent on construction materials have already been paid on inventories. By the time these stocks are sold—in three to four months—inflation and labour demands at the producing levels will erode the cost savings the federal government said should be passed to consumers . . . industry officials said that by the time the tax filters through to house buyers it will represent a saving of only about $450 on a $45,000 house.

There is no guarantee that any tax saving will be passed on to the purchaser. The minister said that he will set up a monitoring process to make sure these savings are passed on to the purchaser, but that does not persuade me it will happen. I have in mind what happened to sales tax reductions on drugs. The drug companies absorbed the savings themselves and never passed them on to the buyer. I am sure this will happen in the case of building materials' sales tax reductions: the builders and developers will absorb any savings and that will be the end of it.

The minister this afternoon also spoke of the registered home ownership savings plan under which people will be able to deduct up to $1,000 per year, for a maximum of $10,000, of money which is to apply to the purchase of a home and essential furnishings. The minister's statement, that this will be a new source of mortgage money, was incredible. How is this saving by prospective home buyers to become a source of money? What guarantees are there? What assurances has the minister that financial institutions which will handle this money will apply it to housing? There is no guarantee. The minister said that financial institutions will not be compelled to use this money for housing.

How generous is the government being in introducing the registered home ownership savings plan? Suppose a couple that is 25 years old saves $1,000 for ten years and at age 35 is prepared to buy a home. The couple finds that applying $10,000 to the purchase of a $50,000 home, it must take a $40,000 mortgage. Present mortgage interest rates are about 12 per cent. So over 25 years the couple must pay $412.76 per month, and in 25 years $123,828, in order to repay this loan. Probably that is what the minister had in mind when he spoke of people getting more bang for their buck. It will be a bang at whose expense? At the purchaser's expense; at the expense of the working and middle-classes of this country.

If the government adopted NDP policy, moderate and low income people would pay no more than 6 per cent interest and that couple would pay about $82,000 in repaying the same $40,000 mortgage over 25 years. But the minister wants some people to have more bang for their buck, so the couple must repay $123,000 in 25 years. Further, the couple which began paying the mortgage at age 35 will end paying it at age 60. What a great achievement the ministeer has brought down! Is this the way to solve the housing crisis in Canada? The minister also said that certain capital costs on new residential buildings built for rent, begun after budget day but before December 31, 1975, may be claimed against any source of income by building owners. I am positive that when developers and their rich friends read that statement they will laugh all the way to the bank and plan to take an extra month's holiday in Florida or California.

When the big developers in Toronto, such as Greenwin, Cadillac and Markborough, take advantage of this measure they will think Santa Claus has come early this year—Santa Claus being the minister in charge of urban affairs. His idea, apparently, is to give the big developers who control development in the large cities of Canada more bang for their buck.

Mr. Peters: They were his campaign supporters.

Mr. Gilbert: Next, the minister announced that first-time buyers of new houses costing less than a certain price set by CMHC will be eligible for a $500 grant. If ever fraud

or deception was perpetrated on the Canadian people, this proposal fits the bill. I remind the minister that the person receiving the grant will need to pay only $123,328 instead of $123,828 over 25 years in repaying a mortgage of $40,000 at 12 per cent. What a saving! We are assuming, of course, that the purchaser can find a house which comes within the price levels set by CMHC. What housing, then, are we talking about? The minister referred to condominium and row housing. Does he want the average married couple to raise children in a condominium? Apparently, the $500 grant is not to apply to co-op housing. Why is the minister refusing to give the $500 grant to purchasers involved in continuing co-op developments? Why will the grant be made available to those buying condominium and row houses and not to those buying co-op housing? I submit that such a grant would help those involved with co-operative housing.

Mr. Danson: They get 100 per cent financing and a 10 per cent grant.

Mr. Gilbert: The minister is willing to provide money to builders of residential housing at 8 per cent, but is charging provincial governments 10¾ per cent for money applied to rental houses. That shows how the minister thinks. Carrying costs incurred in connection with land awaiting development are not to be chargeable against other income, on the basis that land will be released. CMHC reports clearly indicate that residential land required in the next ten years is controlled by major developers in the large cities of this country. This means that a small number of private companies control most of the land we shall need for future housing. House building will remain concentrated in the hands of a few companies and it is easy to predict that housing supplies will remain tight and land prices will continue to rise. All interest payments, taxes and other related charges will eventually be passed on to the purchaser. Yet the minister says, "I will allow land developers to deduct land carrying charges from income for income tax purposes."

The Minister of Finance expressed fear that short-term measures applied to housing will not reduce unemployment. He is also afraid that house building will decrease in volume and that house prices will increase. He is afraid that the reduced supply of housing will lead to lower housing standards across the country. I suggest that the fears of the Minister of Finance will become fact in 1975. I remind the minister that these fears are being expressed not only by members of the New Democratic Party but by an economist employed by the Toronto-Dominion Bank. Dr. Douglas Peters, vice-president and chief economist for the Toronto-Dominion Bank, said:

● (1720)

The government policy is going to have to be changed to bring on more housing starts than the minister suggested.

Dr. Ralph Sultan, chief economist for the Royal Bank of Canada, said the number of housing starts would not have much of an impact in the short run. It is for these reasons that we in the New Democratic Party are so displeased and disappointed with the measures the Minister of Finance has brought forward, greeted with pleasure and glee by the Minister of State for Urban Affairs. He has missed the point that housing is a social right of Canadians and they are entitled to housing at a reasonable cost.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in rising to take part in the budget debate I wish to refer to the personal taxation proposals brought forward by the Minister of Finance (Mr. Turner). For 1974, the May 6 budget measure of increasing the minimum tax credit to $150 was reintroduced. For the $6,000 wage earner who receives an additional $50 under the scheme, the amount is not sufficient to compensate for the loss in purchasing power experienced by the earner in 1974 to date, let alone the further price increases that can be expected in the remaining weeks of the year. In 1975, the minimum tax credit will be raised a further $50 to $200. Again, the price increases expected during 1975 will more than cancel this income gain, resulting in a further loss of real purchasing power to the lower income bracket individual. The maximum tax credit payable will be increased to $750, a gain of $250.

On a $10,000 income, using the minister's example, the $250 increase may, as the minister suggests, cover the food cost increases for a family during 1974, but it will not cover the cost increases in other areas of essential consumer expenditures for 1974, and it will do nothing to halt the erosion of real purchasing power of the earner in this income bracket during 1975. The other two existing, non-budgetary taxation measures referred to by the minister in his November 18 presentation were the lowering of the tax rate on the first taxable income bracket for 1975 from 12 to 9 per cent, and the indexing measures. It is worth pointing out that these two measures do not raise the real purchasing power of individuals but only partially compensate for the loss in real purchasing power that has already occurred. The minister asks that income earners bear his taxation proposals in mind when making their demands for wage increases. Since the proposals do not even maintain existing real income levels, one can hardly expect dutiful labour restraint in the coming year.

Concerning the finance minister's proposals establishing tax exemptions to encourage savings, as has been said before these measures only lessen the rate at which savings are eroded. The broadening of the $1,000 exemption to include stock market earnings as well as interest income is a useful addition—but an addition to a proposal which is inadequate to start with. Additional, new personal taxation measures proposed by the minister are offered as assistance to those aged 65 and over. The $1,000 exemption from pension income, the indexing of the 65-year old and over basic exemption, and the transfer to spouse capability of the 65 and over exemption are indeed efforts to tax older persons on fixed incomes at less than wage earners. But the fact that, in the minister's example at page 1428 of *Hansard*, a person could receive up to $8,258 in annual income before paying federal taxes presupposes that a person 65 years old could achieve such an annual income level. No federal taxes for low income pensioners is a step forward: it does not, however, solve the problem of those who have an inadequate income to start with. The reintroduced proposals of May 6, and the new proposals of November 18, regarding personal taxation do not provide much real comfort to the taxpayer. They were necessary, but insufficient. The life of the minister's "tax relief to

all" thesis is best shown by the continuing rapid escalation of personal tax revenues.

I would also like to comment on the housing crisis in Canada. It appears highly unlikely and improbable that consumers will benefit from the reduction of the sales tax on building materials to 5 per cent. This measure is specifically designed to provide incentives to builders in an effort to aid the ailing construction industry. Consumers and potential home buyers are naive if they are fooled by the $650 savings figure mentioned by the finance minister in the budget. It should be recognized that this saving, if there is to be one, will be beneficial only to the builder in the long run.

This reduction and the undertone of savings it appears to present will do little but further confuse the construction industry when it is considered in the context of other federal housing policies. This measure is a purely psychological device, intended to soothe the fears of the potential home buyer by creating an atmosphere which gives the illusion that the future is not all that bad. The problem in passing on this saving to the consumer arises from the fact that most builders, due to the recent slowdown in construction activity caused by excessively high interest rates, have abnormally high stocks of inventory on which the sales tax has already been paid. Building industry spokesmen maintain that the government is expecting them to now absorb the loss on these inventory stocks. Industry's mark-up on these building materials is too low at present to allow the construction industry to pay the tab.

Furthermore, the total value of dealer inventory is now estimated at approximately $100 million and will take at least three or four months to deplete. By the time these stocks are depleted, inflation and labour demands, if both persist increasing at present rates will have virtually wiped out any potential savings to the consumer. The best saving hoped for would be approximately 3 per cent on an estimated $15,000 value of building materials per unit. The government appears to ignore the fact that the entire housing and construction problem has been caused by high interest rates, the factor which can be blamed for slackening the demand for building units. Yet there are no measures contained in the budget which would ease this problem. Had the reduction been included in the May budget, perhaps it would have represented some benefit to consumers. However, as the slow season for construction activity approaches, it appears that builders will have little chance to deplete their already taxed stocks.

Furthermore, many secondary industries dependent on housing construction, such as the forestry sector, will continue for the most part to be plagued with unemployment due to the percentage of their activity that is dependent on the U.S. housing market which has declined to an annual rate of less than half the previous year's production.

This government has been accused of many, many things, but it has never been accused of being responsive to the public need except in cases where necessary actions would also meet its political ends. This budget is, of course, another example of this. But since that fact is obvious enough for even members of the government to recognize, I wish to deal primarily with another monetary matter of which the government has shown a distinct inability to grasp the hard realities. I refer to the decision of the Minister of National Defence (Mr. Richardson) to build an aircraft overhaul hangar in Winnipeg under the management of CAE Industries Limited of Montreal, to overhaul his department's five Boeing 707s. This is an impractical, short-sighted move necessitated by irresponsible promises and previous poor decisions made by the government.

It is impractical because an operation this size cannot be made viable on the overhaul work needed by five airplanes and some artificial make-work projects dreamed up by the government. The minister admits to having no firm contracts yet from any regional air carriers for their overhaul business and, even if received, there are still not enough planes to make the operation practical on the scale envisaged. It is a short-sighted decision because it ignores and is probably meant to pre-empt the filling of Winnipeg's real need for and right to a proper second Air Canada overhaul base.

● (1730)

I would urge the government to contract out the overhaul work on the Boeing 707s if necessary, stop construction on the makeshift hangar that is proposed, and instead begin now on the thorough planning, designing, construction and training necessary for a facility capable of properly servicing Air Canada's entire fleet, with the accent on the new tooling necessary to service the Boeing 727 aircraft which are now coming into service. These planes will become due for overhaul shortly after the base I propose would be ready for them. By that time they will number close to 30, and with other aircraft from the Air Canada fleet will supply sufficient work for this hangar without taking jobs away from the present base in Dorval.

There are many reasons why this move would be a wise one, both for Air Canada and for the country. Historically, Winnipeg's climate and terrain have made it the most desirable location in Canada for an aerospace industry. In the past a substantial portion of our national airline's maintenance work has been repeatedly promised to the Manitoba capital. Eleven years ago last Friday, on November 22, 1963, the late Lester B. Pearson, then prime minister, told the Commons that the Trans-Canada Airlines maintenance base would remain in operation in Winnipeg for at least ten years. Yet the final decision was made anyway on December 6, 1968, in Prime Minister Trudeau's office to move the base to Dorval. I do not think these facts jive with the Prime Minister's statements at a Winnipeg press conference, on May 23 of this year which suggest to hold Liberal governments blameless for the move.

In the past I have made charges about inefficiency, low morale, labour unrest—and the resulting threat to passenger safety—at the Dorval maintenance base. These and other charges were of course pooh-poohed by the government and by Air Canada, notwithstanding that a number of employees from Dorval backed the claims I made. But I am very gratified to note that, after exhaustive investigation into my charges, the Winnipeg Free Press has published a series of articles on the situation clearly substantiating what I have said. A reporter was sent to Dorval to interview employees and personnel at the base, and his

conclusions are very close to what I have been saying for more than a year.

The maintenance base at Dorval is neither more economical nor more efficient than it was in Winnipeg. In fact the opposite is the case, and this cost difference will be multiplied many times when Mirabel International Airport becomes operational in a year's time. With ferrying costs between Dorval and Mirabel likely to amount to as much as $4 million a year while both airports are functioning, the timeliness of the Winnipeg alternative cannot be ignored.

Air Canada at Dorval is overstaffed in some departments, grossly understaffed in others. Basic training in M.O.T. standards, requirements and general procedures is almost non-existent. Tremendous unnecessary costs are being incurred because of duplication, out of date methods and equipment, and low employee production.

Highly-trained workers are being lost every day as they retire early at ages of 55 and even younger. I have talked with a number of these men. They tell me the constant union demands, friction between employees and working conditions have been too much. They have been made so unhappy they have had to quit. Morale at the base is at an incredibly low level. This results not only in low speed and low quality work, but is also driving away skilled, senior employees.

New people cannot be trained overnight, nor can they gain 20 years' experience in a hurry. This is a frightening situation, and one which could have even more severe implications if allowed to continue. Air Canada is the most strike-prone employer in the public sector. Almost all of its unionized employee groups have struck the airline at least once since 1968, some have struck two or three times. It should be noted that there was not a single strike at the overhaul base when it was located in Winnipeg.

Right now there is too much Air Canada maintenance work for one base to handle effectively. This is evidenced by the vastness of the Dorval operation and the huge amounts of overtime pay being handed out there. In addition to Air Canada, work is being done for Nordair, Wardair and CP Air at the base. In the words of one senior employee, it has become an almost uncontrollable situation in which quality will inevitably be jeopardized.

I quote the words of another employee at the base, speaking about the shift of the base from Winnipeg to Dorval, "The transfer was a monumental blunder resulting in excessive costs beyond our imaginations. Any fair, unbiased comparison of the former Winnipeg operation with the existing Dorval operation would reveal not only that Winnipeg was robbed, but that all Canada is paying a costly penalty."

This senior employee went on to say that at Dorval efficiency was an ignored quality.

Even if the Dorval base was efficient and was not beset by criminally low morale, substandard quality, and severe friction between employees, there would still be many reasons for splitting up the overhaul work. As I have shown, Air Canada has too much overhaul work for its present base, and enough to make two bases viable operations. Air Canada has maintained that a centralized operation is more economical and efficient. This thinking must be questioned. Indeed, it has already been questioned and refuted by experts.

In the *Journal of Air Law and Commerce* last year, an article by Samuel R. Reid and James W. Mohrfeld concluded that there is no basis for the support of this argument, which holds that profits increase as growth progresses. This study suggests that "a program of periodic and orderly spin-offs of components of the larger airlines appears to be in the best interests of the airlines as well as the public". Throughout the world most airlines have taken this advice and moved to decentralize their operations. But Air Canada, while growing at a rate of 15 per cent a year, and despite the government's supposed regional policies, insists on the opposite. In case anyone thinks that there is perhaps something unique about Air Canada which exempts it from such a rule, let me refer to a confidential transportation study done here in Canada. The McKinley Report was submitted to the government in 1971 recommending that Air Canada operations be decentralized. The opposite has continued to happen.

Facts such as these must make many Canadians wonder not only about the quality of Air Canada management but also about the political factors which have seen the airline moving steadily to centralize huge facets of its operations in Montreal. Even if Air Canada clings to the belief that its maintenance work should be consolidated in one location, it still has no solid argument against a move to Winnipeg. With flight operations being moved to Mirabel, the airline is going into a split situation anyway, considering the immense additional ferrying costs that will be necessary.

The overhaul work could be carried out at Winnipeg International Airport efficiently and quickly. Schedules could be worked out for the new Boeing 727s which would result in no deadheading whatsoever. The economics of the situation insist on this course of action. With the expected saving in ferrying costs, up to $4 million a year, the Winnipeg base would be more than paid for by this saving alone within four years.

Again one must wonder who is playing politics when Air Canada resists this obvious course of action. It is about time that both the government and Air Canada started listening to what the opposition has to say, and started heeding some of the advice given them. With the immediate past record of Air Canada in mind, many Canadians are seriously worried about the decline in services and quality of their national airline. Still others mourn the passing of an airline they were once proud to call theirs.

As one example of reasons for these feelings I refer to the mess at the opening of Toronto's terminal 2, a disaster which senior administrators foresaw but were unable to prevent; the emergence of labour unrest and strikes as a way of life in Air Canada; the deterioration in food, services and reservations; the unnotified cancellations, foul-ups, bumping of passengers, constant busy signals from A.C. phones; and the unobliging, uncaring attitude of many employees who have lost the pride they once had in their jobs and who have apparently given up hope concerning the management of the corporation—and with good reason, Mr. Speaker.

When an Air Canada deficit of $5 million was announced recently, the chief executive officer's only reply was that the air line would have to raise its fares. Apparently no thought was being given to streamlining management procedures or to implementing recommendations resulting from critical analyses commissioned by the air line and the government. Nor was any thought given to the validity of Air Canada's decentralization policy.

● (1740)

Many government decisions regarding air line operations must also be questioned at this time. The Minister of National Defence has called the maintenance base transfer from Manitoba to Quebec one of the worst decisions in the history of Canada. Many respected experts agreed with this criticism, yet the decision was made.

Air Canada recently had a number of obsolete Viscount aircraft overhauled, even though the aircraft has been phased out of service—a program which Mr. Pratte admitted "probably cost us money". The unnecessary work was done as an attempt by the government to fulfil irresponsible commitments to Winnipeg for overhaul work. These Viscounts have since been sold for an undisclosed amount, but as a spokesman for the buyer said after the deal, "We didn't pay too much for them".

The government has made no progress on the matter of improving international air route agreements, especially in regard to Winnipeg. This city has two direct air routes to the United States serviced exclusively by two American air lines. For more than 25 years Manitoba has been handed line after line, denials and deception about its aerospace industry's future by successive TCA and Air Canada officials, as well as successive governments. I have a file an inch thick—

Mr. Deputy Speaker: Order, please. I regret I must interrupt the hon. member as the time allotted to him has expired.

Mr. McKenzie: Mr. Speaker, may I have a few short minutes?

Mr. Deputy Speaker: The hon. member can only complete his remarks or finish his sentence with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: Another hon. member is seeking the floor so I would have to recognize him unless he yields.

Mr. McKenzie: Mr. Speaker, may I thank my colleague who indicates I may continue. In my maiden speech in this House in February, 1973, I said that we in Manitoba believed that if Mr. Richardson could not convince his government to fulfil its previous promises, then he should be prepared to resign from the cabinet and move to the backbenches to challenge the sincerity of the Prime Minister.

In light of the countless promises, later broken, made by this government to the people of Manitoba and western Canada since that time,I must strongly reiterate this belief. If Mr. Richardson is a man of principle, then he must give us—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but all through his speech he has been referring to ministers by name. At the conclusion of his speech I think he should read citation 146 of Beauchesne, where he will find the instruction not to use family names or the name of a minister, but rather refer to him by his portfolio. The same is the case with hon. members; they must be referred to by their constituency. I have hesitated a little in singling out the hon. member because this practice has been going on, not only all through this debate but through the Speech from the Throne debate as well. The Chair always feels uneasy in pointing to one member who makes this mistake because he does not know it is not permitted by the rules, or because he has forgotten the rules. However, may I take this opportunity of pointing this out, at the same time excusing myself to the hon. member but hoping it will benefit all members of the House.

Mr. McKenzie: My apologies, Mr. Speaker, and I shall conclude my speech momentarily. If the Minister of National Defence is a man of principle then he must give us some immediate proof that Winnipeg's Air Canada overhaul base is being built or he must register his public disapproval of the government's tactics. If this were to happen then one would also have to expect the hon. member for St. Boniface (Mr. Guay) to illustrate his honesty by a similar act of courage, in view of his constant and unfailing support of the Minister of National Defence, most recently in his budget remarks of Friday last.

[*Translation*]

Mr. Deputy Speaker: The hon. member for Ottawa West.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, if I am not mistaken, is it not the member for Ottawa-Vanier?

Mr. Deputy Speaker: The hon. member for Ottawa-Vanier.

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, I am taking part in this debate with special interest. I have read the budget speech very thoroughly and I am pleased to note that it is progressive and meets present needs.

I wish to join my many colleagues, Mr. Speaker, in congratulating you on your appointment to your new office. I would also like to take this opportunity to thank my constituents for having re-elected me.

Some people think that the present depression experienced by developed countries is only a fortuitous factor and that minimum efforts or a short period of austerity would be sufficient to restore normal conditions. But this is not so. The prosperity of developed countries mostly rests upon the processing of raw materials bought from developing countries often at ridiculously low prices. These same countries are just beginning to realize that they were being exploited and that on top of it all their raw materials, being their only resources, are not inexhaustible. People tend easily to believe that the oil crisis

was brought about by the war in the Middle East, and is the only cause of inflation that we experience. Really, the increase in oil prices is only one of the causes of inflation at this time and we should keep in mind that the costs of raw materials had already been rising since the middle of 1972.

The situation will never be as it was before and it becomes clearer every day that we are living in a system based essentially on lack of foresight and wastage. Inflation as we know it now should incite us not to regret the situation that was before but rather to review our way of life.

The United States are a good example of this. It is no use having a gross national product increase year in and year out, if this growth is due to the manufacturing of absolutely useless products that, in addition, do not bring any deep satisfaction to individuals who contribute, finally, to deteriorate the environment. What is the use of sending a few men on the moon if, on this earth, millions of people live in inhuman cities where it is impossible to take a walk in the street at night without taking the risk of being assassinated.

● (1750)

Canada is fortunate in having abundant resources, with an environment that is generally not deteriorated beyond repair. We must therefore take this opportunity to avoid errors made elsewhere, and to create our own lifestyle where individuals may thrive. We should emphasize the improvement public equipment, because the percentage of our resources used to improve our public services is definitely inadequate, as compared to the consumption of often unnecessary products.

For this reason, we must contain excessive individualism to the extent it goes contrary to common interest, and use our limited resources in a more logical way. The liberal government has been working in that direction in a number of important areas, namely, urban development, housing, public transit and pollution control.

In the area of urban development in particular, the federal government has made considerable efforts in the National capital area to show other cities in the country that an urban centre can very well expand while keeping human prospective. May I refer to the preservation of historical buildings, such as Académie-de-la-Salle which, once renovated, will be occupied by Urban Affairs offices. Negotiations are also under way to preserve the Ottawa Archdiocese building. These are but a few examples of well planned modernization.

Another urban planning measure also deserving mention is Rideau Square, which is designed to renovate, preserve and animate a commercial and tourist centre right in the downtown area of our National Capital, in keeping with the wishes of the communities involved.

But as often happens, even the best of things generate new problems. Indeed, fast population growth, high family formation rate, and the attraction of a pleasant National Capital all helped increase housing demand. In the Ottawa-Vanier constituency in particular, catching up had to be done in the area of social housing.

In order to correct this social situation, the federal government has allocated important sums for the construction of new housing. The accent is being put on so-called social housing, as I said before, to provide housing for senior citizens and middle-income earners. Through provincial agencies, many of these buildings were built in my riding over the last three years.

It follows from that experience that the funds loaned by Central Mortgage and Housing Corporation to provincial housing authorities must be under a much stricter control than it has been the case up to date. The federal government at present has no direct qualitative or quantitative control over those buildings. Central Mortgage and Housing Corporation lends up to 90 per cent of the cost of those buildings. Since the federal government has no control whatsoever over the planning and management of those buildings, it is not sure that the loans granted always produce the planned benefits.

I suggest that in my riding of Ottawa-Vanier, the situation in this respect is alarming. The Ontario Housing Corporation has apparently become an aid agency for speculators rather than the population. It seems impossible to me that a provincial corporation has accepted to pay prices as high as those which were paid for land located in my riding or elsewhere without there being any negligence and maybe even collusion involved between certain speculators and certain civil servants.

Such assumptions are most certainly in order, Mr. Speaker, if we take into account the proceedings brought against certain officials of this agency in Ontario.

I would now like to quote an example which I am very familiar with. In May of 1971, when I was trustee for the Ottawa School Board, there were discussions for the purchase of one and a half acre of land belonging to the Ottawa Episcopal Corporation and located on Donald street. The asking price for that land was then $35,000 approximately. In September of 1971, the planning committee of the School Board, having examined the question, recommended the purchase of this land and started the necessary negotiations through their legal counsel. Needless to say, I was quite surprised when I learned that, in the meantime, one of our own trustees had taken out an option on that same land and finally bought it through his company for $105,000. A little later, on March 22, 1973, he sold in to the Ontario Housing Corporation for the sum of $273,000, therefore turning, in less than nine months, a profit of 155 per cent or $168,000. It seems to me that provincial or other organizations entitled to it should use the tool that is expropriation to prevent that kind of profiteering. Since that time the province of Ontario legislated against speculators by passing an act entitled the Land Speculation Tax Act. Needless to recall that that act does not apply to sales to government agencies. I also suspect, Mr. Speaker, that several other transactions of this kind took place in my riding. However, I leave it up to the provincial MLA to raise that whole question at the Ontario legislature and determine whether those allegations have any base.

I think the example I just quoted proves that the province of Ontario and its agency—the Ontario Housing Corporation—are thwarting all the efforts of the federal government in the field of social housing in Ottawa, and in

part in my riding. But, as always, it is the people who will pay for it and the community who will be impoverished because that profiteering increases the price of all land in the city, in the riding where I live. How is it that for land of equal value the municipality of Vanier, for example, pays $5 a square foot when the Ontario Housing Corporation pays two and three times that price for nearby land?

Such action on the part of the provincial corporation contributes to increased prices for land. But speculation is only one cause of the housing crisis. Provincial and municipal governments, in addition to stopping real estate speculation, will have to try and discover new solutions to that problem. They will have, on a much larger scale than now, to create land banks that they will resell themselves. In proceeding in that way, using their powers of expropriation, governments will pay the fair market value for land and sell them in turn at a reasonable price, because there will not have been any speculators to make exaggerated profits between the time of the purchase and that of the sale. It will be necessary to make experiences in the area of city planning. It may also be necessary to generalize the creation of satellite towns situated some distance from existing major urban centers. Let me remind the House that such a satellite town with a projected population of 100,000 will be created in Carlsbad Springs, on the outskirts of Ottawa.

As far as the present urban-oriented architecture is concerned, it is completely outdated and will not allow an increase in population density without a possible deterioration of the quality of life. It is in fact as an incentive to innovate in this area that the federal government has invested $100 million in a program entitled "Urban Demonstration Program".

I pointed out that the opposition, because of its usual lack of imagination, criticized this program as soon as it was proposed. The members on the other side of the House probably have not the necessary intelligence to realize its full significance. However, in the meantime, because it felt it to be an urgent matter, in the budget speech, the federal government presented or adopted various measures which might help and bring a fast and immediate improvement in the housing field. First, the carrying costs on land awaiting development should not be charged against other income but be taken into account only as land is sold. I suggest that this measure should assist in bringing land for housing onto the market more quickly. Then the sales tax on building materials is reduced and the sales tax on materials purchased by local governments for use in the construction of water distribution system is abolished. Moreover, to help young people accumulate the savings required for buying a home, a new savings plan is being established: a registered home ownership plan. Finally, the main credit institutions are invited not to confine high ratio loans to middle- and lower-priced housing.

As for public transport, in the budget the government shows undoubtedly that they are doing what they have pledged themselves to do in the last election campaign, by proposing the removal of the sales tax on any transportation equipment, which includes railway cars heavy trucks, buses and commercial planes. The removal of that tax will deprive the federal government of about $100 million of income. As for the protection of environment, Mr. Speaker, the government has reintroduced for two more years the fast paying off of the equipment used to fight pollution, a measure which was to come to an end within the current year.

But while the government is taking care of the material comfort of the people, it cannot be said that it is neglecting intellectual matters. In that field, the government has shown interest in some undertakings which, if they succeed, will contribute a lot to the development of a typically Canadian culture. May I be allowed to mention more specifically the case of the CBC which has now undertaken to set up an organization to be entrusted with the distribution, for educational purposes, of audio and visual tapings of the broadcasts of the corporation. Mr. Speaker, may I call it six o'clock?

The Acting Speaker (Mr. Laniel): It being six o'clock I do now leave the chair until eight o'clock this evening.

At six o'clock, the House took recess.

AFTER RECESS

The House resumed at eight p.m.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, I should like to continue the speech I was delivering before dinner by reminding hon. members that I was dealing with all the audio-visual material and the huge library that belong to the CBC and that should be made available to the public at large, I think, since after all, it is the Canadian taxpayers who paid the broadcasts that may be useful in education or in other fields.

It seems to me the National Film Board could very well take the responsibility of distributing that audio-visual material. Recordings are often a source of information of an unparalleled richness and they could be used for educational purposes throughout this country instead of being left to deteriorate in warehouses as happens at the present time.

An organization such as this one would be especially useful to all francophone minorities outside Quebec for which it is extremely difficult to obtain French culture instruments.

Besides it is to help the French-speaking minorities outside Quebec and even the province of Quebec in particular that the federal government concerns itself with the problem related to textbooks. As a matter of fact, a conference convened by the Secretary of State is being held in Ottawa today to examine all that question. It is almost impossible for the francophone minorities to obtain those textbooks they so greatly need. Purely Canadian textbooks written in French are almost non-existent, and the people concerned have to resort either to textbooks imported from France, which do not reflect the Canadian situation, or to English textbooks.

Madam Speaker, I should like also to deal with a very important question, namely bilingualism.

I shall not deal with the programs now under way in the public service, nor with the policy of institutional bilingualism, but rather with a linguistic centre, in the private

sector, which would be located in the national capital of our country. At the present time, 35 per cent of all workers in the national capital area are public servants, and 65 per cent are employed in other sectors.

That private linguistic centre would allow more than two-thirds of the workers in the national capital area to learn a second language and perfect their knowledge of their mother tongue.

I am talking about setting up, in the national capital, a service considered essential by several people, if ever we are to achieve the objective of a Canadian national capital that truly reflects the bilingual character of Canada. That centre would be supported by the expertise of the Language Training Centre of the public service and Algonquin College, and would be designed according to a centralized administrative formula with a qualified teaching staff, grouped in teams; they would, in fact, belong to an academic centre, and be composed of mobile teams that would go to the private sector to dispense their instruction.

The National Capital Commission now has a budget of $250,000 earmarked for the development of bilingualism in the national capital. Numerous public, municipal, and regional organizations as well as several industries and businesses are asking for financial assistance from the NCC to enable them to adopt bilingualism in fact.

In the public sector, at the municipal and regional levels, the need for bilingualism is felt very strongly, whether it be in the police forces of Hull or Ottawa, in the fire departments, in the hospitals and in other fields of public administration generally. I think that it would be possible to establish that language centre for public and private affairs with the co-operation of the National Capital Commission, the provinces concerned and the private sector.

My discussions with several organizations have shown the interest and merits of such an undertaking. I hope, Madam Speaker, that Algonquin College, the National Capital Commission, the Quebec and Ontario governments will take an active interest in the matter.

In conclusion, Madam Speaker, I wish to say that this budget, which can be qualified as expansionist, helps to promote economic activity in Canada.

Reducing taxes, while increasing the purchasing power of Canadians, it copes adequately with the threats of depression by which we are all concerned.

● (2010)

[*English*]

Mr. James A. McGrath (St. John's East): Madam Speaker, first of all let me say that I am very pleased to be participating in this debate with you in the chair. At the risk of being accused of being a male chauvinist I will say that you bring to the chair a charm and dignity which is all too apparent tonight—

Some hon. Members: Hear, hear!

Mr. McGrath: —and which we always admire in you.

Mr. Knowles (Winnipeg North Centre): But you are still not going to get more than 20 minutes!

Mr. McGrath: Of course I have a certain advantage since I happen to be closer to the chair than most members. I am sure, however, that your qualities are apparent to all.

Just one day after the Minister of Finance (Mr. Turner) brought down the budget, Statistics Canada released the regional cities index. This is a breakdown of the consumer price index according to the principal cities in the country. It showed some very interesting things. For instance, my own city of St. John's, Newfoundland, had by far the highest over-all increase in the cost of living of any city in the country, although Winnipeg and Edmonton were not too far behind.

Of particular significance was the fact that the food component of the index for the month of October in St. John's showed a startling 3.8 per cent increase. That represented a 20.8 per cent over-all increase in one year.

It was also interesting to note that the figures showed that, while St. John's, Newfoundland had by far the highest rate of increase in the cost of food, Ottawa had by far the lowest increase in the cost of food, .4 per cent. I say that is significant because Ottawa usually has one of the highest rates of increase of any city that is surveyed.

I believe the reason for the change was due in no small part to the fact that the Food Prices Review Board selected Ottawa as the site of a pilot study. It surveyed food prices on a comparative basis in the city of Ottawa, in all of the major supermarket chains operating in the Ottawa-Hull area. The results of the surveys were made public and, as a consequence, there followed real competition between the various supermarket chains to lower food prices.

I raised this question at the time and I ask it again tonight; when can we expect similar surveys in other cities in Canada? After all, the Food Prices Review Board is a national board with national responsibilities. One of the interesting things to come out of the survey was the fact that food prices in Ottawa did go down as a consequence of publishing the findings of the survey.

Another interesting thing to come out of the survey was that supermarkets in the lower income areas, where consumers are virtually locked into dealing with a particular supermarket in their neighbourhoods because of their not being as mobile as consumers in the other areas, perhaps through lack of a family car, charged higher prices for food. I am told the same thing applies in Montreal. I certainly hope that aspect of the study will receive more attention from the Food Prices Review Board, and also from the Department of Consumer and Corporate Affairs and the Department of National Health and Welfare.

The increase in food prices in the city of St. John's by 3.8 per cent in the month of October compares with the national monthly increase of 1.4 per cent. This obviously means that food prices are rising at a more striking and rapid rate in St. John's than in other cities of the country. We have also a substantially higher rate of increase in unemployment in my city. It too is growing there at a faster rate than in other cities.

It is easy to deal in statistics, Madam Speaker, but I believe that they tell only part of the story. In order to translate these statistics into real practical terms I did a survey of my own. I picked out a national supermarket

chain in the city of Ottawa and a similar chain store in the city of St. John's just at random, and I picked out a number of essential food items.

Here is what I found: in St. John's, one dozen Grade A eggs, 99 cents—in Ottawa, 75 cents; in St. John's, a quart of milk, 57 cents—in Ottawa, 49 cents; a 24-ounce loaf of white broad in St. John's, 47 cents—Ottawa, 36 cents; 10 pounds of potatoes, in St. John's, 98 cents—in Ottawa, 69 cents, hamburger in St. John's, 98 cents a pound—in Ottawa, 75 cents a pound; ground chuck, in St. John's $1.38 a pound—the same in Ottawa, 95 cents a pound.

How could there be such a differential, Madam Speaker? Obviously transportation is a factor, but is it that much of a factor? I doubt it. Earlier this month the Food Prices Review Board released a special study of food prices in the province of Newfoundland compared with food prices prevailing elsewhere in Canada. The board thought this disparity was great enough to warrant a special study, and that in itself is significant.

While the findings of the board were by no means conclusive, it did make some very worth-while recommendations to both levels of government. These recommendations are significant. First of all, Newfoundland has to import most of what it consumes from the mainland, so transportation is a significant factor. And if the board's recommendations were accepted, the distribution system within the province would be improved.

I hope that the study and its recommendations receive immediate and serious consideration from both the federal and provincial governments.

One area where the federal government could take immediate and unilateral action is in regard to the recommendation that the consumer subsidy on powdered milk also be applied to evaporated milk. The per capita consumption of evaporated milk in Newfoundland is considerably higher than the per capita consumption of powdered skim milk in the rest of Canada. I have already asked the government to take immediate action on this recommendation in the report.

● (2020)

There is no doubt in my mind that there must be fundamental changes in business practices in the province. The board has telling and meaningful things to say on this aspect, and I hope the Minister of Consumer and Corporate Affairs (Mr. Ouellet) and his provincial counterpart will take into account the board's conclusions and recommendations.

In October another study was undertaken on Newfoundland transportation. That study was commissioned by the Canadian Transport Commission into all phases of ground transport in Newfoundland. That study, which was prepared by professional consultants, is in 11 volumes. Since the commission has invited the public to make submissions on the report no later than the end of January, 1975, I will reserve my comments, except to say that I hope the study will receive the immediate consideration of the government, so that when the period for public submission has ended we can expect some direction from the government as to what course it intends to follow in implementing the principles, conclusions and recommendations of the report. The Minister of Regional Economic Expansion (Mr. Jamieson) carries great responsibilities in this field, by virtue of the responsibilities of his portfolio, and because he is the province's representative in the government of Canada. As the months go on we shall watch the minister's reactions to the public submissions and to the final disposition of the study by the government.

[Mr. McGrath.]

Transportation is the key to closing the gap between food prices in Newfoundland and food prices in the rest of the country. A substantial proportion of what we consume must be brought in from the mainland and distributed over an area covering 156,000 square miles. Therefore an adequate transport system is both vital and essential. It is not enough for the Minister of Regional Economic Expansion to say in this House that we are spending $50 million on the gulf service. I submit that we are not getting full value for that money because of the archaic thinking which the Department of Transport has adhered to in matters of transportation affecting Newfoundland, and because of the archaic thinking of the CNR. We live in a day of modern transportation technology, when modern developments have made possible modern transport systems, yet we still operate in the steamship era in providing service to Newfoundland.

Food prices in Canada accounted for over half of the increase in the consumer price index during the past two years. That is an astounding fact. Food prices in the past 24 months in Canada have risen by almost 40 per cent, leaving low income earners and those on fixed incomes to shoulder a particularly heavy burden. Because of high unemployment and a per capita income that lags 35 per cent below the national average, Newfoundland has been harder hit by this wave of inflation than the rest of the country. This places a particularly unfair burden on the people of my province. For that reason, although we look to the government of Canada for immediate relief—I am sorry to say that such relief is not evident in the measures proposed in the budget—we look forward to realizing the potential of our own natural resources over the long term. That is why I regret particularly the decision of the Minister of Finance (Mr. Turner) to tax resource development in Canada, and I emphasize the decision to tax oil and gas.

This brings me to my next point. Newfoundland has just completed its first 25 years as a province of Canada. We became part of Canada 25 years ago after a referendum in which less than 52 per cent of the people of Newfoundland voted to confederate with Canada. I do not think it is unreasonable to say that if we had known, when Newfoundland was about to enter Confederation, that one day the government of Canada would unilaterally and arbitrarily abdicate its position vis-à-vis the British North America Act, if we had known that the ownership of natural resources would be called into question, that fact alone, I submit, would have been enough to keep us, the people of Newfoundland, out of Confederation.

The people of Newfoundland would never have voted to confederate with Canada if they had known in 1949 that they would lose their right to exploit their own natural resources. Let me point out that we entered confederation with Canada as a full-fledged dominion, with full sovereignty over our resources. We are not a big province. Our population is small and we are represented in this House

by only seven seats. The province contains only a small percentage of the population of Canada, but we will fight any attempt by the government to take over control of our resources or to change in any way the pact of Confederation. I support what my leader said in this House. And I support the position adopted by the Premier of Alberta. I can sum up our position in no finer way than by repeating what the Leader of the Opposition (Mr. Stanfield) said, "The provinces of Canada may not be sovereign states, but neither are they colonies".

Miss Aideen Nicholson (Trinity): Madam Speaker, as a newly elected member I rise to speak in this House, over which Your Honour presides with such fairness and competence, feeling very much aware of the responsibilities of an elected representative taking part in this debate. No matter how long or how deeply one has considered beforehand, the actual moment of speaking in this House, following the mandate solemnly given in a democratic election, is one that makes one think anew of one's commitment to the democratic process and of one's duty to listen to constituents, to evaluate their needs and expectations, and to strive to have these reflected in legislation.

The riding which I have the honour to represent is an urban one with a high concentration of new Canadians. It is a riding where many people work hard, and struggle to buy homes and educate their children on modest incomes. The 1971 census figures showed the average income of heads of families as $6,347; the average family income was $8,658. In 1971 only 7.6 per cent of families had incomes of over $15,000.

The measures announced by the Minister of Finance (Mr. Turner) to maintain a good level of production and employment are welcomed by my constituents who are particularly vulnerable in times of low employment. The measures to stimulate housing construction are of special interest in a riding where 10.1 per cent of those in the labour force are employed in the construction industry. The more prosperous families in Trinity are very socially aware and will, I know, support the measures taken to increase the purchasing power of those on low incomes.

According to the 1971 census figures, 8.6 per cent of Trinity's population was over the age of 65 years; of these, 61 per cent were women. The recent amendments to the Canada Pension Plan and the reductions in personal income tax announced in the budget ease the current difficulties of senior citizens but, Madam Speaker, many of the retired women contributed during their working years to private pension plans which have not served them well; still others worked for many years in jobs where they were excluded from all fringe benefits.

● (2030)

Women who are employed in the service, trade and manufacturing industries are often doubly disadvantaged by low wages, which allow little or no margin for saving, and by discriminatory pension plans. Minimum wage legislation appears to have narrowed the male-female wage differential in low-wage occupations, but differentials still exist, particularly in non-unionized establishments. A recent Ontario study estimated the average differential as high as 22 percentage points.

In May, 1972, legislation was introduced in this House to amend the Canada Labour Code to prohibit discrimination on the basis of sex and marital status. That bill, which did not receive third reading before dissolution of the twenty-eighth parliament, contained a limitation clause excluding pensions and life insurance plans from the amendments.

The province of Ontario in 1971 enacted a human rights code which prohibited discrimination in employment on the grounds of sex or marital status, but the section on fringe benefits has not yet been proclaimed. Since fringe benefits are generally considered part of pay, women are increasingly asking why a country and a province which advocate equal pay can at the same time tolerate inequality of fringe benefits.

Among the many discriminatory practices to be found in employees' group insurance plans are, first, eligibility requirements. Length of service for eligibility varies for men and women, for example, five years service or 25 years of age for women, before entry into the plan. Vesting of the plan, continuous service stipulation, is sometimes longer for women than for men.

Second, take the case of death benefits to spouse. Most plans provide for reduced benefits to the spouse of a deceased male contributor, but nothing for the spouse of a deceased female contributor. There are many variants relating to dependent children of a deceased contributor. For example, the children of a deceased woman contributor must prove a situation of hardship and/or receive lesser amounts that those provided for the dependent children of a man contributor. Most plans have fewer joint and survivorship options available for women contributors.

Third, many firms have an earlier compulsory retirement age for women resulting in lower contributions from both employee and management and, therefore, lower pension benefits. This practice is now changing. However, there are still almost a quarter, some 23.2 per cent, of those women who are now enrolled in pension plans who are required to retire at an earlier age than men under the same plans. When the earlier retirement age is combined with the delayed entry I mentioned earlier, a woman's pension is doubly depressed.

Fourth, there are amounts of life insurance. Many plans offer lower amounts of life insurance coverage to women. The group life insurance plan of one Crown corporation provides single women with exactly half the amount of insurance protection which a single man buys for the same premium.

Fifth, there is the example of health insurance plans. Management generally contributes to these plans but does not allow the married female employee to participate unless legally separated, divorced or widowed. In situations where the wife is the permanent worker, the husband must pay the premiums on a private basis and the couple lose the management contribution normally extended to married men.

Sixth, look at part-time employees. Some firms have no plans—pensions, medical, life, disability—for a part-time and/or temporary workers. Since many women are in this category because of family responsibilities they are par-

ticularly discriminated against in loss of benefits and in loss of management contributions.

Eighty-four years ago, in 1890, Canadian women were told they did not need the vote for they could accomplish as much by loving persuasion of their men. The argument failed to take into consideration the growing number, even at that time, of unmarried women wage earners who had no husbands to persuade, lovingly or otherwise.

Some hon. Members: Hear, hear!

Miss Nicholson: In 1974, women's pension plans are still based on the assumption that women employees are all supported by men who will provide well for all contingencies, and that women have no financial responsibilities for dependents and no need to plan for their own economic well-being or that of their dependents.

However, the fact of the matter is that over a quarter of a million working women, 266,000, or almost one-tenth, of the female working force, are separated, deserted, divorced or widowed. Add to these over a million single women, 1,006,000, who make up more than a third, in fact 34.1 per cent of the female labour force, and the assumption of no female employee need becomes hard to support.

In this day of early marriage, the fact that only one-third of the female labour force, 33.3 per cent, is under the age of 25 is also a meaningful statistic.

Another consideration which must not be overlooked concerns those women in the labour force who are married, and that is the level of earnings of the male breadwinner. Many women who work do so in order to maintain a decent standard of living which the husband's wage alone would not permit. Pensions are generally assessed on the basis of average earnings over a period of time. Where those average earnings are low, the earned pension will also be low. If the wife's earnings are needed to establish a healthy life-style for the family during her working years, her pension is also needed to allow the couple a decent standard of living when they retire, and income replacement is needed if she becomes unable to work because of illness.

Disability insurance for women is limited in availability, and higher premiums are charged to women than men, as much as 61 per cent higher. The annual premium differential is said to be based on actuarial tables. However, insurance companies are quite coy about releasing the data on which they base their discriminatory premium rates for disability insurance. This is particularly strange because they freely publish the life tables on which they base their justification for discriminating between men and women in connection with retirement pensions and annuities. Perhaps they fear being embarrassed by discovery that this discrimination is due to emotional bias and myth and cannot be supported by fact.

Statistics Canada labour force survey indicates that the pattern of absences from work because of illness for the last number of years has been fairly consistent. The rate of absences because of short-term illness is somewhat higher for women than for men, but the rate for long-term illness, and it is this type of illness for which disability insurance is made available, is higher for men than for women. In 1973, 1.82 per cent of all full-time working women were absent from employment because of illness lasting for a period in excess of one week; during the same year 1.97 per cent of all full-time working men were absent because of illness lasting over one week.

Canadian suffragists at the end of the nineteenth century and the beginning of this century were part of a more general reform movement that was concerned to remove a wide range of injustices and evils that afflicted the country at that time. Contemporary Canadian women, too, usually see women's rights in the broad context of human rights and social betterment.

Situations which are unfair to women are usually closed situations where some persons are able to make and implement decisions which they do not have to explain or account for and, therefore, are situations which are unfair to some men also, especially those from minority groups. Opening up situations for discussion and requiring reasons for decisions normally results in increased representation not only of women but of men from minority groups.

As long as discrimination against women in pension plans and life insurance continues, and insurance companies are not required to account fully for their practices, one must wonder what other forms of discrimination may be practised on the grounds of secret actuarial tables, and what the cost is to the economy as well as to the individuals concerned.

Human rights codes generally stress public education, and research into attitudinal change and cultural conditioning. But people who are discriminated against, whether on the grounds of sex, colour or race, are increasingly interested in changing behaviour rather than attitudes. Changing attitudes is a slow and nebulous business. Changing differential treatment in existing benefit schemes is much more susceptible to clear definition and practical solutions.

● (2040)

It is my hope that the human rights legislation which is due to come before this House will deal firmly and fairly with this matter. It is surely in the interest of the Canadian economy, as well as in the interest of justice, that there should be fairness and equity in every phase of employment.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Eudore Allard (Rimouski): Madam Speaker, I am sure you are well aware of the fact that it is with a surplus budget of some $250 million that this Liberal administration intends to carry out its operation which, by the way, has been rendered twice as difficult, when we considered the budget speech the hon. Minister of Finance (Mr. Turner) made last Monday night, which aims at reducing the inflation rate and prevent the Canadian economy from entering into a long-lasting recession period.

If I remember correctly, in the first budget speech for the year 1974-75 which he made in May of this year, the minister had announced that he would fight inflation with a deficit budget of some $450 million.

In spite of this, Madam Speaker, I consider that he is not offering any valid solution to fight inflation, and that the measures proposed by the minister are clearly not enough for our people in the low-income bracket. At best, as far as I can judge, the minister is about to invite provincial governments to reduce their public expenses and incite Canadian workers and corporations to exert a minimum of discipline.

As the hon. Minister of Finance said: "Canada is confronted by two major challenges—dealing with persistent, deep-seated inflation and at the same time maintaining a good level of production and employment". I do not feel that the minister's budget speech can solve those two problems because, first of all, they are contrary and they require different solutions. The budget is only grappling with the effects of inflation while hoping the price increase for 1975 will be lower by about 1 per cent compared to the increase for this year.

But what about the causes, Madam Speaker? We keep claiming from all sides that this plague we call inflation is imported, but it does not seem that Ottawa has decided to come to grips with it. On the contrary, we find rather easily that some measures are clearly inflationist and that the said inflationary thrusts for 1975 come from inside.

While all great nations in the whole world are trying to innovate and find new ways to deal with this problem, Ottawa is at the same time doing its utmost to convince Canadian people that there is not much possibility to check inflation and that meanwhile we have to bear our pain patiently.

On the other hand, I am happy to see that Ottawa has finally understood—even though not entirely in my opinion, but it still is a first step towards understanding—considering that the federal government has decided to lower the sales tax on building materials from 12 to 5 per cent. However, I do not think that the government and its building speculator friends will suffer much, since the government used to keep this tax for itself and the big builders still increased their annual profits in unimaginable proportions.

Madam Speaker, in this budget which applies exceptionally to an eighteen month period rather than a normal year, it is surprising and even disappointing to note that Ottawa has not considered lowering the old age pensions admissibility age to 60 over a period of five years, in view of the fact that the government of the Prime Minister talked a lot about senior citizens during the last election campaign.

Moreover, the budget contains nothing to get agriculture out of its present stagnant situation, and according to the predictions of the hon. Minister of Finance, there will be in fact an increase in unemployment in the next few months, a decrease in production before the end of the year, and a rate of inflation of about 10 per cent in 1975.

Madam Speaker, I believe that it is not by granting income tax deductions of about $650 million for 1974 that the government can support the demand of the Canadian people and maintain at the same time Canadian production. This will only reduce somewhat the burden of Canadian taxpayers. In other words, the only true measure implemented by Ottawa to maintain the rate of growth of our economy consists in reducing the taxes for manufacturing industries and small companies, as well as mining and oil industries, which measure aims at increasing the offer and preventing shortages.

Madam Speaker, there is a very simple and well known way to shirk one's duty and present commitments and to forget current problems. It consists in trying to make predictions, in talking, in discussing, in argumenting about future problems. One thus seems knowledgeable, worried and concerned, while on the whole washing one's hands of problems that should be solved today.

Being unable to face the present wisely, coldly and objectively, one withdraws into the past, dreams about or fears the future. And problems take roots, remain and develop mostly because those responsible for solutions are caught in the machinery of conditioning or routine, following the well beaten path of their predecessors. However, Madam Speaker, the present requires an administration that can no longer follow patterns of the past. As can be seen we are courting disaster. Time has come for the federal government to make sure it takes the required steps to give all Canadians the purchasing power they need to do credit to Canadian production, thus spurring demand.

Several times, government members voted against proposals calling for the implementation of a guaranteed minimum income, which would allow each and every Canadian to live decently, according to the Canadian productive potential. Yet, I read in *Le Devoir* of November 21, 1974, that in about a year Canada could equip itself with a new federal-provincial guaranteed income system.

We, of the Social Credit, will not hesitate to apply such measures, because families must be assured of a decent income. We have been advocating the solution for years.

According to the rules and traditions of times past, and of the wonderful progressive capitalism of those past few decades in Europe and North America, the budget speech that was read out last Monday by the hon. Minister of Finance is undoubtedly a masterpiece of accuracy, status quo and stability of the present situation which protracts for a few months the very same problems of inflation, unemployment and poverty, without the flimsiest hope for national economic balance which every citizen in Canada has been expecting from our government.

And yet I shall accuse no one for their reluctance or even their carelessness. I find, Madam Speaker, that the officials at the head of most departments are doing everything they can. They are not to be blamed nor replaced they should simply be asked to alter their consistently retrospective mental attitude, their frame of thinking, and direct it to the present, which would benefit each and everyone of us, as soon as we would become conscious of our present capabilities.

If we go rapidly over our national economy since 1934, when the Bank of Canada was created, as a result of far reaching royal inquiries into our financial situation, our industry, our trade and banking system, we realize the huge progress made in every respect with the production and capitalization of huge supplies in the hands of prosperous citizens and great corporations private or public, millionaire or billionaire, national or multinational.

Production and capitalization have been in constant progress as opposed to the constant slowdown of consumption. If we admit that broad fact far and wide, Madam Speaker, then solutions will immediately arise which we shall behold with astonishment. We will just have to apply them easily and plainly in our usual work, in Parliament, without having to change people or monetary, economic or political systems.

All the monetary, economic and political systems and mechanisms which were used to build up a fantastic production and an extravagant surplus capitalization may well be used at the same time to regulate a more complete system of personal, family and social consumption under the leadership of the same ministers and members of Parliament elected last July 8 by the people of Canada who produce, consume and capitalize. We merely have to change a few percentage points in incomes and taxes between different places without harming anyone and by doing so much good to all with concrete results in both the national and world mentality almost desperately seeking a better economic national and world balance, and we can assure better distribution for all we can produce.

Madam Speaker, having reached a point where in 1974 we are boarding for the future as much as 42 per cent of our annual production and consuming the other 58 per cent, judging by the budget that is before us, where we Canadians are consuming in 1974 only $80 billion out of a production of $139 billion, thus capitalizing $59 billion for the future, I can clearly see, madam Speaker, that we should immediately transfer $15 billion of our exaggerated capitalization to make for the deficiency in our consumption. This would at once reduce or drive out inflation, unemployment and poverty and effect an immediate return to a national economic balance between individuals, families and companies in all parts of Canada, to start with, and this condition would soon spread to all parts of the world following our convincing experience.

● (2050)

[*English*]

Mr. James Gillies (Don Valley): Madam Speaker, the budget presented in this House a week ago tonight by the Minister of Finance (Mr. Turner) dealt with three problems—inflation, unemployment and leadership. While it is true that these are the three problems faced by all Canadians, I suspect that they have a meaning for Canadians that is somewhat different from the meaning they have for the Minister of Finance.

The impact of inflation on the average Canadian today gives rise to a real fear about his ability to be able to cope with the rapidly increasing cost of living, indeed his ability to obtain even the basic necessities of life. I suspect that the impact of inflation on the Minister of Finance does not appear to concern his standard of living, though it may have some relationship to his advancement within the political spectrum.

The fear created by unemployment for the average Canadian is again the fear of the economic consequences of his loss of income. I expect that the fear created by unemployment for the Minister of Finance is the fear that if there is massive unemployment across Canada he will not be employed in the position that he would like to have in the not too distant future.

Some hon. Members: Oh, oh!

Mr. Gillies: When the Minister of Finance talks about leadership, the leadership that he has in mind is different from the leadership that Canadians had hoped would be given them in the budget that came down recently. Otherwise, why would we have had this budget? I suggest we would have had a totally different budget from the minister.

Actually the budget brought down last Monday was a particularly irresponsible one in light of the international situation within which it was introduced. Every member of this House knows that we are probably facing and living in the most unsettled economic climate we have experienced for over a quarter of a century. From the end of world war II until 1972 the United States was willing to finance measures to meet international problems around the world. Today it cannot do this. The fact that it is no longer able to do so has been exacerbated by the fact that there has been an increase in the price of oil of over 400 per cent in the past year, creating an economic situation that is almost insoluble.

We in the industrial countries of the world have to find a way to settle a $40 billion balance of payments problem and to recycle $60 billion worth of petro dollars, and this still in the first year of this new situation. There is absolutely no way in which the existing central banking system and international monetary program can handle this particular problem. And here we have the Minister of Finance bringing down a budget that offers no solutions to these problems, and that makes no suggestion as to what Canada can do to alleviate the situation.

As Dr. Henry Kissinger, Secretary of State for the United States, said in Chicago on November 14, "collaboration among the industrialized countries of the world will be an inescapable necessity". The first part of this co-operation must be to bring down the rate of domestic inflation. In this era of economic tension and uncertainty, it seems to me almost inconceivable that the Minister of Finance would bring down one of the most divisive budgets ever brought down in the history of Canada. Why at this time, when we are teetering on the edge of international problems the like of which we have never before seen, would the Minister of Finance decide this is a good time for the federal government to interfere unilaterally with constitutional powers that were settled years and years ago?

What can be the thinking of the government in this regard? The federal government does not need the money; it has been collecting more money than it knows how to spend intelligently. Perhaps the government did this because it believes fundamentally in the centralization of authority in Ottawa, thus going against the trend to decentralization that most countries of the world think is the right one. It may be—though I would hate to credit this to the party opposite—that the government believes that for purely political purposes it benefits much more from confrontation than it does from conciliation. If this is the reason, Madam Speaker, what a dreadful situation in which to place the people of Canada at the present time.

I do not believe that the party opposite is quite as Machiavellian as that, though it is possible that it is, Madam Speaker. I think the reason the budget was brought down at this time, and the reason for this confrontation with the provinces constituted an attempt to try to divert attention from the way in which the government has been managing the economy in the last couple of years. What other reason is there for a budget of the sort we have at the present time?

The fact is that the Minister of Finance has brought down four budgets. Every single one of these budgets started out in the same way. They stated that the nation was facing unemployment and inflation, and through the process of all these four budgets no progress whatsoever has been made to deal with those twin problems. It seems to me that the terrifying thing about this budget is that the minister shows no comprehension of why we have unemployment at the present time.

The reason for unemployment in this country today is simply that the government has done nothing about inflation for the last couple of years. All of the forces bringing about unemployment today result from inflation. For example, look at the decline in housing starts, which show a 25 per cent drop. This rate will probably go higher. Why have we had this drop in housing starts? It was simply because of the interest rate policy that the government was following, a policy designed to do something to curb inflation but which just did not work.

Why are retail sales down 3 per cent? If these policies of the Trudeau government are continued Mr. Bennett will look like one of the most enlightened men of all times. Retail sales were down 3 per cent in the month of September because in spite of what the government says its policies are not keeping up the real standard of living of most Canadians.

● (2100)

Why do we have a decline in sales of manufactured products? I suggest it is partially because of a slowdown in other economies. However, the major reason is that we have become one of the highest cost producers in the world, with no increase in productivity but with an increase in cost and an increase in unemployment.

Why do we have the unenviable record of having more days lost through strikes and industrial unrest than any other industrial country in the world? I suggest the reason is because we have done nothing about inflation, and people have to use this device to try to maintain their standard of living high. We are in the middle of declining economic activity because of the inability of the government to do anything about the inflationary process, and in the middle of that situation what is so frightening is to have a budget that obviously does not perceive this as the major problem of the country at the present time.

The Minister of Finance forecast at the start of the year that we would have an increase in gross national product of 5 per cent. Some six months later it was 4 per cent—in six months time a decline of 20 per cent. There was little economic growth in the third quarter of this year and we will probably have none in the fourth quarter, and that is all because of the policies followed by the government. The one thing that was clear during the last parliament, and is now clear during this parliament so far is that the foundation stone on which the Minister of Finance has built his policies to fight inflation has crumbled.

The way in which the Liberal government said it was going to fight inflation was by increasing supply, but where is that increased supply? Our gross national product is down, there is no increase in supply, and this policy of the government has been a total failure. That sort of a solution cannot work. The last person who tried this particular policy was Lyndon Johnson in the United States. He argued in the United States that they could have both guns and butter. I suggest you cannot have both—you cannot have both in this country just as they could not have both in the United States. You cannot expect the government and the private sector combined to take more out of the economy than the economy is producing, and if you try to do so you will end up with nothing but inflation, and that is precisely what we have today.

To say that after a year in which you have a 25 per cent or 30 per cent increase in government expenditure, in the midst of double-digit inflation, that you have really accomplished something, the next year by bringing expenditure down 15 per cent is simply nonsense, because that policy simply will not work. That policy is doomed to failure. It is a real disaster to have a Minister of Finance who came in with a budget a week ago saying that he is trying to cure the economic sicknesses in this country by giving it more of the same medicine—more government expenditure. That simply will not work.

The Minister of Finance and his government are talking now about a budgetary deficit for next year. I suggest that this will produce more inflation. The Minister of Finance obviously does not understand the problems under which the economy is operating at the present time. If there was ever such a thing as a tradeoff between inflation and unemployment, it is quite clear that does not exist now. We have both at the present time, and it is quite clear that the government's policies are not working. To think that you can deal with the unemployment problem in that way is obviously a great mistake.

The Minister of Finance must understand these things and the problems we are faced with, but the great question is why does he not do something about it? The only reason I can think of why the government and the Minister of Finance are not moving strongly is that they are afraid to provide the leadership necessary to deal with the problems. It is absolutely essential that we do have leadership now, but the Minister of Finance will not give it. He will not give it because it would be really unpopular, and no government and no politician ever made any yards fighting inflation. This is a very unhappy thing to have to do today, but let me tell you that if we cannot find people in this democratic system with sufficient courage to deal with these problems, we will have a very difficult time keeping our democratic institution viable.

Some hon. Members: Hear, hear!

Mr. Gillies: History repeats itself, and it is very clear that if you do not control inflation, or at least keep inflationary expectations down, there is no way you can maintain a prosperous economy. If you cannot maintain a prosperous economy, then you cannot maintain a demo-

cratic institution. We had an over 10 per cent inflation rate last year, we have an over 10 per cent inflation rate this year, and the way things are going we will have even more next year. That is no way to maintain the fabric of our society. If we are not willing to use our democratic institutions to fight inflation then we are indeed in terrible trouble.

The Minister of Finance says that this is all an international problem. That has to be the greatest cop-out that has ever taken place in this House of Commons. How can anybody suggest that our inflation is all the result of an international problem? Can anybody really believe that the drop in housing starts and the increase in unemployment are the result of something that has happened in Spain or Portugal? Does anybody really believe that the decline in retail sales is the result of something that has happened someplace else in the world? Can anyone believe that the inflation we have here is the result of anything but the policies that we are following in this country?

I find it really quite astonishing that the Minister of Finance, who prides himself on travelling all around the world talking to other ministers of finance, would not take a look at the budgets other countries are bringing down. Regardless of where you look or of what ideology is involved, whether it be a socialist government such as that in England, a capitalist society such as that in Japan, or a society such as that in the United States, you do not find them following the policies advocated by this government. There is not a chancellor of an exchequer or a minister of finance who has brought down a budget recently that has not told the people that they will really have to work to solve the inflationary problems.

In this country, which has an inflationary rate of over 10½ per cent, we do not have to absorb any of the impacts of the increase in world oil costs with which other countries have to contend. With that sort of situation, the problems with which we are now faced seem to me to be unacceptable. I really believe that had the present Minister of Finance been a father of confederation there likely would never have been a birth, but there certainly would have been a lot of heavy breathing.

The fact is that we will not solve inflation unless we are ready to go after it with strong measures. Some people may feel that the situation we face in this country is not particularly serious. I suggest that it is very serious, and we will not long have the things that keep a private entreprise system going with a continuing rate of 10 per cent or 12 per cent inflation. We are going to require something far less, perhaps an inflation rate of 5 per cent, 6 per cent or 7 per cent.

Let us consider the record of Germany. It has an inflation rate of 6.8 per cent and a 3 per cent rate of unemployment, but that country is worried. If the Minister of Finance wants to make comparisons with other countries around the world he ought to be making comparisons with the OPEC countries at the present time.

Since I have been in this House of Commons I have tried to analyse what is taking place in our economy in terms of budgetary expenditure, tax and monetary policy, and I wonder why in a great country like Canada we cannot use our resources more effectively. I wonder why we have anything like the inflation we have today. We have so many resources, and an agricultural community that is strong and productive. I can only conclude that while we have two real problems in this country, unemployment and inflation, the greatest economic problem we have is the Minister of Finance.

● (2110)

[*Translation*]

Mr. Pierre Bussières (Portneuf): Mr. Speaker, I am happy to participate in the budget debate. The budget speech, somewhat like the speech from the throne, brings the new member face to face, and rather brutally, with his role as a newly elected representative of the people.

I should like to attempt to be as faithful as possible a spokesman for the concerns of the constituents of Portneuf. Still, as it is always very difficult to speak on behalf of another person, I wonder if it is possible to speak for over 80,000 constituents, that is the population of the riding of Portneuf.

Be that as it may, I have tried to regroup as best I can my own reflections on what the electors pointed out to me during the few weeks of the election campaign, as well as on the comments I heard during my numerous meetings with various groups in my riding since the election on July 8.

I would like to emphasize, Mr. Speaker, how much I respect my constituents and my predecessor in this House, Mr. Godin. I take this opportunity to announce to you, Mr. Speaker, and to all hon. members, that Mr. Godin has been elected alderman of an industrial town in Portneuf riding, called Donnacona. I want to congratulate him and wish him every success in his new duties.

Portneuf is a beautiful and large riding, a third of which is a rural community and two thirds are highly urbanized. I am very happy to find that the measures announced in the budget speech will affect all groups of these citizens.

The first point that holds my attention in this budget speech has to do with housing. From all corners of Portneuf riding, my constituents will benefit from these measures. The urban area is in full development in terms of low cost and average cost of private residences.

The reduction to 5 per cent of the sales tax on building materials, plus the $500 subsidy will make it possible to save approximately $1,100 on the purchase of a new house.

The registered home ownership savings plan will certainly help a large number of young people in my constituency who had hardly any hope of becoming home owners.

These measures plus the elimination of sales tax on municipal transit systems and water distribution equipments will certainly improve the lot of municipalities.

Mr. Speaker, I should like to give some indications of the way these measures will favour the voters of the Portneuf riding.

The first group concerned will be affected in an indirect way. In both the Eastern and Western ends of my constituency, there are a number of saw-mills as well as producers of building materials of various types, including insulation panels, acoustic tiles, bricks and cement blocks.

It is obvious that the renewal of activities in the construction of new housing will be an incentive for those firms and clear the unemployment threat which haunted the numerous employees in this industry.

In the urban part of my riding, we will also witness a renewal in the construction sector. In addition to provide many jobs to the workers in this sector, that renewal will favour home ownership and better housing.

Many young people, in particular, will avail themselves of the new Registered Home Ownership Savings Plan, and the day will come faster for them to become owner of their own house. Whether in Rivière-à-Pierre, in Saint-Raymond, in Pont-Rouge, in the district of Les Saules or in Loretteville, many citizens will take advantage of those measures announced in the budget speech, measures dealing with housing policy.

Still in that field, it seems to me that we should take steps so that the Central Mortgage and Housing Corporation, which is our national housing corporation, upgrade its clauses for the profection of the new house buyer.

In the Des Saules district, for instance, numerous buyers have been wronged as a result of the financial difficulties of some builders. This situation should be provided for, mechanisms should be set up to protect the consumer. As an example, there could be an insurance plan under which an owner, as soon as he takes possession of his house, would deal directly with the Central Housing and Mortgage Corporation, so that he could complain and recriminate if there is anything wrong with the house.

It also happens that in those circumstances the sub-contractors suffer losses. We should change the terms under which loans are granted so that sub-contractors are assured of payment for work they have done on a particular house.

Agriculture is the second matter I should like to deal with. A large part of my riding of Portneuf consists of beautiful farm lands and many farmers are engaged in either dairy production, horticulture, or cattle breeding. All members have heard either through the media or during the special debate we had in the House, about the situation of farm producers in the province of Quebec.

During the election campaign, as well as since July 8, I have had the opportunity of discussing matters with many farmers in my riding. Today, being a farmer is really running a business. Investments are considerable, labour is hard to find, salaries are very high, and production costs vary from one season to another. As for the farmer, his income is subjected to the vagaries of very volatile markets. Which brings us to the problems such as the one we witnessed in Quebec with regard to certain grades of beef cattle sent to the slaughterhouse.

The media show us regularly cases of people who suffer from starvation or malnutrition throughout the world. In the meantime, the owners of beautiful farms, real gardens, whether it be at Neuville, at Cap-Santé or elsewhere, are thinking of quitting the land because they can no longer cope with the job, because their children do not want to take a gamble in a field they consider much too uncertain. Mr. Speaker, we must get our agriculture out of its insecurity, we must support our minister of Agriculture (Mr. Whelan) when he is brought face to face with the disparagers of marketing boards and other measures aimed at stabilizing the income of farm producers.

The tax reduction for small wage-earners contained in the budget will also be helpful to most of my constituents of Portneuf. They will thus recover the purchasing power which they had lost due to price increases. This provision as well as the possibility of deducting the first $1,000 of interest income will be beneficial to the budgets of Canadian taxpayers.

The constituents of Portneuf are aware that inflation means profits for some people. They realize that it helps increase government revenue but they are pleased to see that the minister of Finance (Mr. Turner) has given up a certain amount of revenue to help them make both ends meet. The budgetary measures are correcting the situation and the government is in a way refunding this inflationary revenue.

They are also aware that inflation benefits certain companies. And I would like to say, Mr. Speaker, that the last letter I received on that subject came from a businessman of Ancienne-Lorette. He pointed out that fact to me and stated his interest in a legislation that would provide a ceiling for profits or that would control company profiteering. This businessman's concern is the same as that of most of the people of Portneuf. They are anxious to see the minister of Consumer and Corporate Affairs (Mr. Ouellet) introduce legislation in this respect and they are assured that the minister is highly qualified to administer such a legislation in the best interest of all Canadians.

Mr. Speaker, if some companies lack social conscience to the point of using inflation to expand their profits in an exaggerated way, it is the duty of this government to take action and bring them to reason.

The constituency of Portneuf is also proud, Mr. Speaker, of having within its limits one of the most beautiful, the most modern and the biggest Canadian Forces base, the Valcartier base. The action of Canadian servicemen and their efficiency as peacekeepers is known throughout the world. Our servicemen are peace professionals. This may sound contradictory, but it is a contradiction that an old saying has recognized from time immemorial.

We used to hear when we were young, "If you want peace prepare for war". For us, Canadians, the need or even the usefulness of armed forces is not so obvious. Public opinion is strongly divided in that respect, and government decisions must take into account Canadian public opinion. However, we must not for that matter lose sight of the need to increasingly qualify the staff of our armed forces and provide them with the best equipment available to ensure quality of service and also guarantee the viability of this career they chose to enter. Young people are still being recruited. Those young people must feel that they are entering an open road into the future and not a dead end street that would make them regret their decision after a few years. Last summer, Mr. Speaker, an unfortunate accident occurred at the Valcartier base. This accident is much more regrettable because it has stricken young cadets in training. Some quarters have taken this opportunity to make a quick trial to the Armed Forces and the cadets corps. However, I want to express my appreciation to the cadet corps. I also want to express

it to the militia groups who devoted their time and experience to the training of young cadets.

When I was a student I had the opportunity to belong to a cadet corps for five years. I highly appreciated the qualities of discipline and other aspects of the manly education that is given there. These days, when everything encourages free-and-easiness and inaction, when more and more people are asking themselves questions on the quality of discipline in our schools, we should increase our efforts in favour of the renewal of these cadet corps.

I would also like to mention that the many people who work at the Valcartier military base have great difficulty with highway traffic. It must also be mentioned that Ville Belair is the place where all military and civilian personnel pass through on their way to Camp Valcartier. The citizens of this residential community are gradually being chocked up by a volume of traffic that is becoming quite a hindrance. The Citizens' Committee who favours the expansion of Henri IV Blvd. should get all our attention.

The leather industry is another interesting sector in the industry of Portneuf riding. Whether in Saint-Émile, the Huron Village in Loretteville or l'Ancienne Lorette, there are many manufacturers of moccassins, shoes, slippers and gloves. This industry uses very qualified local manpower and in spite of fleeting difficulties, the management of these establishments show dynamism and imagination in improving the quality of their products and finding new markets for them. However, there is always a menace hovering over this type of business and that is meeting import competition. These manufacturers are counting on the clearsightedness of the hon. Minister of Industry, Trade and Commerce (Mr. Gillespie) to help their products keep their place on our markets and thus keep employment high in places where unemployment is a sore that too often must be patched up.

I would find myself wanting if, in conclusion, I did not point out the interest shown by the citizens of Portneuf riding for the budget of May last. That budget quickly became one of the main topics for discussion during the election campaign. I must also add that there has been some apprehension since the election of last July 8. Some doubts were being shown about the new budget as it was feared that the majority government might go back on the good intentions that were set out in last May's budget. I am pleased that the right hon. Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Turner) kept the same approach, making it possible for the Canadian people to breathe better in spite of the suffocating atmosphere around the world economy.

Some hon. members reproached the government for having thrown all the blame for the present state of our economy on the situation in other countries. Others said the measures were good but came in too late.

Mr. Speaker, the budget of the hon. Minister of Finance is marked with carefulness, not the carefulness of the pusillanimous but of the realistic, the carefulness of a government which is open to the world, which knows the volume of its exports and imports and does not want to retire within itself.

As to those who think the measures are good but come in too late, they will be the first, Mr. Speaker, to claim that the government acted this way because of them. They will be the first to boast that they recommended these measures and that the government listened to them at last. But they will make these remarks when it brings them political dividends.

May I be allowed, Mr. Speaker, to congratulate again the Minister of Finance for the interest expressed in his budget speech towards everything which is of concern to all Canadians.

[*English*]

● (2120)

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, we are now in another budget debate, another budget which is really failing to deal with inflation, another budget out of a shotgun with shotgun measures trying to deal with inflation. In the few minutes I have I should like to deal with some of the shortcomings in the budget.

Any provisions to provide aid for farmers are noticeably absent from the budget.

Some hon. Members: Hear, hear!

Mr. Whittaker: There was no further mention of incentives for farmers, including the stabilization of incomes and markets, as promised in the Speech from the Throne. It would seem apparent that to curb inflation and relieve the international food crisis the Canadian farmer requires massive assistance to expand his production to meet Canadian and world needs. This assistance could have been made available by special interest rates and relaxed loan conditions on the farm improvement loans plan; easier financing for clearing unused arable land; the upgrading of existing land and investments in machinery, agrichemicals and modern techniques; and government investment in research development assistance.

Indeed no effort was made to aid the agricultural sector through financial stimultation of co-operation between production and transportation toward alleviating the often critical distribution problem. I might say in this connection that the fruit industry in British Columbia is again having trouble with the transportation of its fruit.

One last remedy available to the government to cure the current inflation and hunger ills was financially to encourage Canadian farmers to adopt more efficient agricultural techniques to increase crop outputs. A generous new investment in agriculture would increase the potential of increased food surpluses, thereby satisfying one objective of the budget, that is, to increase supply and would also represent a step toward alleviating the world food and hunger crisis.

If the government were really sincere in its intent to combat inflation it would devise programs for using some of the money now being used for LIP programs and UIC benefits to construct canneries and granaries to take care of agriculture surpluses. Such a program would put a lot of unemployed to work, cutting down on high unemployment and on taxes required for UIC benefits and LIP programs.

The lack of any concrete programs to use agricultural surpluses to bolster our economy and decrease unemploy-

ment clearly indicates that the government is unable to identify with the critical areas within the Canadian economy; it is unable to initiate appropriate operative programs for effective relief.

● (2130)

For many Canadians the reduction in personal income tax will be welcome news, but Canadians will realize in due course that this reduction in their income tax is really, in fact, further depreciating the value of their spending dollar. As long as the cost of living prices remain as they are, these personal income tax reductions will benefit Canadians, but the budget does not get to the heart of attacking inflation or finding ways to curb it, and inflation and the cost of living will go up considerably in the months ahead.

Any benefits Canadians will receive because of the reduction in their personal income tax will soon be eroded by the increase in the cost of living and inflation. What the government has attempted to do is to lull Canadians into thinking it is being a big brother to them by reducing their personal income tax. Canadians will soon realize they have been duped when they find prices of their goods going up and their spending dollar being further reduced in value. Whatever benefits they are going to receive now will be taken away from them in due course, simply because the government has done nothing to check inflation and the increase in the cost of living.

In the budget speech the Minister of Finance (Mr. Turner) stated that he would hold the increase in government expenditures at 15 per cent next year, compared with the 24 per cent increase in the current year's expenditure over last year's. The President of the Treasury Board (Mr. Chrétien) recently tabled in the House supplementary estimates totalling $25,951 million for the fiscal year 1974-75.

In a recent CTV interview the Minister of Finance stated that it was "intensely difficult in the political process to hold these expenditures down. You've got the legitimate ambitions of ministers of departments." It seems to me that some of those legitimate ambitions of ministers have greatly increased the financial burdens of the Canadian people. I am especially recalling the $510 million deficit in the UIC program, brought about by a previous minister's inability to manage his department properly. The ones who were forced to pay in the end for that deficit were the Canadian people.

It would seem to me that ministerial ambitions, especially at a time when we have high unemployment, inflation running rampant and the cost of living constantly going up, should rank second, and ministers should be finding ways to curb wasteful spending in their departments. They have an obligation to the Canadian people, who elected them to the positions they are now holding, to do so. There is no justification for the increase in government spending and waste when the people of this nation are experiencing high unemployment, increases in the cost of living, and depreciation of their spending dollar.

Any reduction or help in reducing the cost of homes is certainly welcome, but sales tax on building materials should be entirely abolished. The reduction to 5 per cent is a step in the right direction, but the government should have totally abolished the sales tax. The 5 per cent sales tax will leave intact the existing bureaucracy for collecting the building material tax; it will be just as complicated a set-up as the one which collected the 11 per cent tax. Another bureaucracy must now be set up to administer the new program under which each purchaser of a new home is to get $500. If this is a key to the job creation program which this government has in mind for next year, it's a great way of fighting inflation.

Under the present set-up we are not providing an incentive for young Canadian families who want to build and own a home. Our present structure alienates young people from building and owning a home. They find building, costs, land costs, etcetera, more than they can handle. If we completely abolish the sales tax on building materials, the bureaucracy created for collecting the sales tax can be eliminated and materials would be available at prices most Canadians could afford. The long-term effect of this would be a substantial decrease in our housing shortage.

News of benefits granted to our old age pensioners is welcome; but if in the months ahead these benefits are to be swallowed up by the spiralling rate of inflation and increase in the cost of living, our pensioners will be no further ahead. Pensioners fortunate enough to receive an income from a registered savings plan or from a deferred profit-sharing plan will much appreciate the exemptions provided for those. Pensioners with $30,000 invested and old age pension supplements do not now pay any tax, or very little, so that many of the proposed new benefits will apply only to those fortunate enough to be in higher income brackets.

For those pensioners who are not so fortunate, who are only receiving old age security, the news is not so good. The budget has failed to provide them with added protection against inflation and increases in the cost of living. Single pensioners who are receiving only the basic minimum of about $2,700 will feel the ravages of inflation and increases in the cost of living. Present conditions make it almost impossible for them to enjoy a decent existence. The government has failed those pensioners whose only source of income is their old age security pension, because it has not provided for any pension increases. The government must stop dishing out piecemeal benefits to these hard-pressed pensioners. The government has an obligation to provide this segment of our population with adequate protection in order that these people can cope effectively with inflation and the high cost of living which is constantly eroding the purchasing power of their pensions. Something more substantial must be done for pensioners who are receiving only the old age security pension. This budget has done nothing for them. It has left them more vulnerable to the further ravages of inflation and increases in the cost of living.

The government proposals in the budget to provide incentives for incorporated small businesses by increasing the annual limit on profits taxed at the 25 per cent special rate to $100,000 from $50,000, and the cumulative limit to $500,000 from $400,000 may benefit our small business owners, although I do not think the benefits are substantial enough to encourage more Canadians to own small businesses. These incentives, however, will enable some to capitalize on their expansion.

The Liberal government has never seemed to realize that the backbone of the economy of this nation centres on small business. Small businesses account for over 50 per cent of Canada's gross national product, and they pay 50 per cent of the taxes collected by the government.

The small business is also the breeding ground for new industries. What may be a small business today can become a leading industry tomorrow. Unfortunately, the government does not see it this way, and as other segments of our country receive more and more benefits the small business segment of our population receives less and less. The government's policies on small business have been such that many have been allowed to go into bankruptcy because they have not been provided with adequate financial means or incentives to enable them to survive and compete.

● (2140)

The government is willing to make substantial loans to foreign governments for the benefit of the relatively large corporations in Canada, but when it comes to making loans available to small Canadian businesses from Canadian banks, it turns a deaf ear. The budget incentives for small businesses in Canada are not good enough.

It is time the government took its head out of the sand and took a good look at the present system which favours foreign-owned companies over Canadian owned companies which for years have formed the backbone of the economy of this country.

There are a few really depressed areas in my constituency of Okanagan-Boundary. One is the beef industry. The ranchers in the area pioneered this country. They were one of the backbones of the economy. Because of the policies of the government they are in one of the worst situations they have ever faced in history.

There is a large lumber industry in British Columbia. Today it is very hard pressed. I realize that as far as this government is concerned, a lot of the input into the lumber industry comes from the provincial government. However, the federal government still has an obligation toward this industry.

There is an extensive mining industry in my constituency. This industry has also been a pioneer in my constituency. It has been going on for many, many years. However, the way the industry is being treated by governments today, it will not be around much longer. It is well-known that there should be more exploration. More mines could be in the area. It was only a few short years ago that one of the leading copper mines was discovered and developed. With this kind of situation in those three leading industries, it will be very hard for the people in my area, and for Canadians in general.

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

The Acting Speaker (Mr. Penner): Order, please. It being 9:45 p.m. it is my duty, pursuant to Section 7 of Standing Order 60, to interrupt these proceedings and put forth with the question on the amendment now before the House. All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

[Mr. Whittaker.]

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Penner): Call in the members.

The House divided on the amendment (Mr. Stanfield) which was negatived on the following division:

(*Division No. 7*)

YEAS

Messrs.

Alkenbrack
Allard
Andre (Calgary Centre)
Baldwin
Balfour
Beatty
Benjamin
Blackburn
Brisco
Broadbent
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Crouse
Darling
Dick
Dinsdale
Dionne (Kamouraska)
Douglas (Nanaimo-Cowichan-The Islands)
Elzinga
Epp
Fairweather
Firth
Forrestall
Fraser
Friesen
Gauthier (Roberval)
Gilbert
Gillies
Grafftey
Halliday
Hamilton (Qu'Appelle Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hnatyshyn
Holmes
Howie
Huntington
Hurlburt
Jarvis
Johnston
Jones
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
La Salle
Lawrence
Leggatt
MacDonald (Miss) (Kingston and the Islands)
MacKay
MacLean
Macquarrie
Malone
Marshall
Masniuk
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Muir
Munro (Esquimalt-Saanich)
Neil
Nowlan
Nystrom
Oberle
O'Sullivan
Paproski
Peters
Reynolds
Ritchie
Roche
Rodriguez
Schellenberger
Smith (Churchill)
Stanfield
Stevens
Stewart (Marquette)
Towers
Wenman
Whiteway
Whittaker
Wise
Woolliams—90

NAYS

Messrs.

Abbott
Allmand
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Buchanan
Bussières
Caccia
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Daudlin
De Bané

Division

Messrs.

Demers
Dionne
(Northumberland-Miramichi)
Douglas
(Bruce)
Drury
Dubé
Dupont
Dupras
Ethier
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Goodale
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Haidasz
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc
(Laurier)
Lee
Lefebvre
Lessard
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
Maine
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
McIsaac
McRae
Milne
Morin (Mrs.)
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Pearsall
Pelletier
(Sherbrooke)
Penner
Pinard
Portelance
Poulin
Railton
Raines
Reid
Richardson
Roberts
Robinson
Rompkey
Rooney
Roy
(Laval)
Sauvé (Mrs.)
Sharp
Smith
(Saint-Jean)
Stewart
(Cochrane)
Stollery
Trudeau
Trudel
Turner
(London East)
Turner
(Ottawa-Carleton)
Watson
Whelan
Yanakis
Young—123

● (2210)

Mr. Speaker: I declare the amendment defeated.

Amendment (Mr. Stanfield) negatived.

Mr. Alexander: Mr. Speaker, I did not vote. I was paired with a minister of the Crown. However, had I voted there is no question that I would have voted for the very commendable amendment.

Mr. Speaker: Order, please. It being after ten o'clock, this House stands adjourned until 2 p.m. tomorrow afternoon, according to Standing Order.

At 10.15 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, November 26, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

Second report of Special Joint Committee on Employer-Employee Relations in the Public Service—Mr. Blais.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

* * *

● (1410)

[*English*]

REGIONAL ECONOMIC EXPANSION

TABLING OF REPORT ON A STEEL COMPLEX IN EASTERN CANADA

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, in accordance with Standing Order 41(2) I am pleased to table in both official languages a copy of the report on a possible steel complex in eastern Canada prepared for my department by the Stelco Technical Services Group. I have arranged for copies to be forwarded to some interested members. A limited number of copies has been made available to the parliamentary distribution office as well.

ORAL QUESTION PERIOD

[*English*]

CONFLICT OF INTEREST

DATE OF REFERENCE OF SUBJECT MATTER TO COMMITTEE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the government House leader and Acting Prime Minister. When does the hon. gentleman intend to bring forward the motion dealing with the proposed rules regarding conflict of interest as applied to members of parliament and move the necessary reference to committee in that connection?

Hon. Mitchell Sharp (Acting Prime Minister): I hope I shall be able to meet with the leaders of the other parties today and have the opportunity of discussing this and other matters. There are a number of very urgent items on the order paper which we hope to see disposed of, including the petroleum administration bill and the bills founded upon the budget; these are of most urgent importance because they affect the price of fuel in eastern Canada, and I hope they can be disposed of even before we turn to such an urgent matter as the one to which the Leader of the Opposition has referred.

Mr. Stanfield: In view of the great importance of this question to the people of Canada, and in view of the great desirability of setting the committee to work with the necessary instructions on this question as it relates to all members of the House of Commons as well as to members of the government, will the hon. gentleman not give us an assurance that he will bring this reference forward at a very early date, particularly in view of the obvious differences of opinion which exist between members of the government and ourselves on this subject? After all, the Prime Minister is just as likely to blow his stack on this subject after Christmas as before.

Some hon. Members: Oh!

Mr. Sharp: I wish to assure the Leader of the Opposition that we have nothing to hide and that we would welcome the views of hon. members on the other side concerning this question of conflict of interest as it applies to members of parliament. We might then find out whether they want their spouses to be affected in the same way as they have suggested spouses of members of the cabinet should be affected.

Mr. Stanfield: If we tender the hon. gentleman one of the days allotted to the opposition, could he screw up his courage enough to bring forward this question on one of those days?

Some hon. Members: Hear, hear!

Mr. Sharp: I can assure the hon. gentleman we have no reluctance to debate this issue, but I do hope members opposite have the same perspective with regard to other business before the House and will deal urgently with the matters to which I have referred.

Some hon. Members: Oh, oh!

GUIDELINES FOR CABINET MINISTERS—USE OF PRIVATE INVESTMENT COMPANIES—SUGGESTED DISCLOSURE OF LIABILITIES AS WELL AS ASSETS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): My question, too, concerns the government's conflict

of interest guidelines, and I hope the hon. gentleman will not be evasive in his reply. Is it the policy of the government that cabinet ministers who choose the so-called disclosure option under the conflict of interest guidelines can continue to manage their investments secretly and directly through private investment companies, disclosing the names of the companies but not the companies' assets?

Hon. Mitchell Sharp (Acting Prime Minister): That is a very technical question, Mr. Speaker—

Some hon. Members: Oh, oh.

Mr. Sharp: —which I will have to take as notice.

Mr. Beatty: A further supplementary question, Mr. Speaker. Apparently the minister does intend to be evasive. My supplementary arises from the guidelines tabled by the Prime Minister concerning conflict of interest of civil servants last December 18, one of which stated: "In order that honesty and impartiality may be beyond doubt, public servants should not place themselves in a position where they are under obligation to any person who might benefit from special consideration or favour on their part or seek in any way to gain special treatment from them". In order to ensure that a similar policy is followed for cabinet ministers, is the government intending to take action requiring the disclosure of liabilities of cabinet ministers, not just their assets?

Mr. Sharp: Mr. Speaker, I think these are the kind of questions that can be discussed when reference is made to committee. We would certainly welcome the views of hon. members, first of all as to how these rules are to apply to members of parliament. Then based on this foundation we can formulate the conflict of interest guidelines relating to members of the cabinet.

Mr. Speaker: The hon. member for Brome-Missisquoi can ask a final supplementary.

REQUEST FOR ASSURANCE MINISTERS HAVE NOT TRANSFERRED ASSETS TO THEIR SPOUSES

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Acting Prime Minister and involves solely ministers of the Crown. Can the Acting Prime Minister assure this House that during the time that the right hon. Prime Minister gave his ministers to put their affairs in order under the new conflict of interest regulations no minister transferred to his or her spouse assets which, if held in the name of the minister, would put him or her in conflict of interest under the regulations?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am not personally, of course, in a position to answer that question but it is one which I will direct to the Prime Minister.

Mr. Grafftey: A supplementary question. Would not the Acting Prime Minister—

Mr. Speaker: Order, please.

[Mr. Beatty.]

FINANCE

ALLEGATION FEDERAL GOVERNMENT BROKE AGREEMENT WITH ALBERTA AND SASKATCHEWAN ON OIL REVENUES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question arising out of correspondence tabled yesterday by the Prime Minister related to the recent budget. In the absence of the Prime Minister I will address my question to the Minister of Finance.

With reference to the oil agreement reached in discussion with the provincial premiers last March, the Prime Minister, in separate letters dated March 12 of this year to Premiers Blakeney and Lougheed, referred to the "one year" accord which was reached between him and the premiers. Would the Minister of Finance inform the House why the federal government decided unilaterally to break this accord, to use the Prime Minister's own term, since such action not only changed fundamentally the details of the particular agreement but put in serious jeopardy all future relations based on trust between the federal government and the provinces?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the Prime Minister will deal with this fully in the budget debate tomorrow.

ALLEGATION FEDERAL GOVERNMENT BROKE AGREEMENT WITH ALBERTA AND SASKATCHEWAN ON TREATMENT OF OIL ROYALTIES PUT INTO CAPITAL ACCOUNT

Mr. Edward Broadbent (Oshawa-Whitby): A supplementary question, Mr. Speaker. It would have been nice to have the Prime Minister here today, but I will put a second question to the minister though I suspect I will get the same answer. The Prime Minister said in each of the letters to Premiers Blakeney and Lougheed, with reference to provincial capital funds established with additional oil royalties, that "we would propose that these capital amounts would not be included in the revenue base for equalization". In view of the fact that in his reply dated March 21, 1974, Premier Blakeney said, and I quote: "I concur with your proposal", meaning the Prime Minister's proposal, would the minister on behalf of the government explain what could possibly have led the cabinet to decide to break this specific federal-provincial understanding so totally?

● (1420)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that understanding was not broken. As I say, the Prime Minister will deal with this subject tomorrow. I can say to the hon. gentleman that when Premier Blakeney, the Prime Minister and I—the three of us alone,—two weeks ago discussed the question of Saskatchewan's understanding of equalization, after a mutual analysis of the subject Premier Blakeney said there was no misunderstanding. As I say, the Prime Minister will deal with that fully tomorrow.

Mr. Broadbent: Mr. Speaker, on a final supplementary—

An hon. Member: Sit down.

Some hon. Members: Order.

Mr. Speaker: Order, please. In fairness I have never really taken the occasion to appear in any way to limit the opportunity of the leader of the NDP to ask a rather lengthy question followed by supplementaries during the lead-off portion of the question period. However, under circumstances in which he has received again a reply which indicates that his questions will be answered by the Prime Minister during his speech tomorrow, it would seem appropriate to wait for that speech rather than to go on with another supplementary question at this time.

Mr. Broadbent: With great respect, Sir, I sat here as the parliamentary leader of the NDP and listened to members of the Conservative party not only lead off the question period, which I respect, but follow with a series of supplementary questions directed by not one but two other members of that party.

Some hon. Members: Hear, hear!

Mr. Broadbent: So far, Mr. Speaker, I have asked two questions only, and given the fact that the Prime Minister is away and we are told is going to deal with this very important issue during the debate, it seems very important to get this matter on the record in the hope that he will deal with these questions which are of great concern not only to members of this House but to all the premiers of the provinces.

Mr. Speaker: Order, please. This may be an appropriate occasion to clarify both matters raised by the hon. member in his point of order, the first being the practice of beginning the question period each day with questions posed by the Leader of the Official Opposition, then by supplementary questions by members within that party. This is the practice the Chair has been following in recognition of the fact that that party enjoys a particular status in the House as Her Majesty's Official Opposition.

Some hon. Members: Hear, hear!

Mr. Speaker: Ordinarily that practice extends to only one member. However, there are occasions when the subject is such that it perhaps requires extended treatment. During today's question period, as an example, when the subject is of such current importance and interest, it seemed appropriate to go to a second member of that party before moving on. Undoubtedly other members may want to pursue the subject further, but rather than carry out that questioning at this time, I felt it was appropriate to go to the leader of another party in recognition of that importance.

Having regard to the hon. member's point dealing with three supplementary questions, I have always permitted that. However, as I have already said to hon. members, when a minister rises in his place to answer a question by indicating that in respect of further information that is sought the answers will be given tomorrow or, as in this case, the information on the subject under question will be dealt with fully by the Prime Minister in a speech tomorrow, it seems to me appropriate not to carry the matter further by way of supplementary questions. This is an unusual situation and I would rule on it in that way. It is a discretionary matter, and in these extraordinary circumstances I think it calls for an extraordinary cut-off to the opportunity that would ordinarily be given to the hon. member as a matter of course.

Mr. Nowlan: On the point of order, Mr. Speaker, because of the importance of the question and the assurance given by the minister, I should like to point out that we have had an example already during this session of this parliament of a Prime Ministerial speech in respect of which many members thought the question of inflation would be dealt with, but not even the word was mentioned. I just wonder what assurance we have that the subject matter of the questions posed by the leader of the NDP will be mentioned tomorrow, in view of this precedent?

Some hon. Members: Oh, oh!

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I rise on that point of order. I have always had the greatest respect for the decisions Your Honour has handed down, and I know that you discharge your responsibilities as Speaker of this House with great fairness and impartiality. However, I do want to suggest that it is not within the competence of anyone to say for sure that the Prime Minister will tomorrow answer the questions the leader of this party has now asked.

Surely he has a right to put those questions because he cannot be sure, the government cannot be sure and certainly Your Honour cannot be sure, that those questions will be answered in the speech to be made by the Prime Minister tomorrow. I think he should be allowed to ask that second supplementary. As a matter of fact, I think some of the rest of us ought to be allowed to ask supplementaries arising out of the answer to his question.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, on the same point of order—

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): —surely it is open to the hon. member and his colleague from Nanaimo-Cowichan-The Islands to put those questions to the Prime Minister tomorrow if they are not satisfied with the points he makes in his speech tomorrow. The question the hon. member is putting is an important one. It has certain debating aspects. The Prime Minister will be dealing with the general subject and the hon. member will have the opportunity tomorrow or subsequently to put that question to the Prime Minister in its true context.

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

POSSIBILITY FORCE COMPILES FILES ON MEMBERS OF PARLIAMENT—RIGHT OF MEMBER TO SEE FILE

Mr. Eudore Allard (Rimouski): Mr. Speaker, I have a question for the Solicitor General.

Since it seems the Royal Canadian Mounted Police has files on each member of parliament and some individuals from across the country, would the Solicitor General be able to tell the House whether that is true and, if so, would

it be possible for me to go through my file, as a citizen and member of parliament?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the RCMP does not have dossiers on all members of parliament.

Some hon. Members: Oh, oh!

Mr. Allmand: It is not the policy of the RCMP to investigate members of the House of Commons unless they are suspected of committing some criminal offence or of being a threat to national security.

An hon. Member: A point of order, Mr. Speaker.

[*Translation*]

Mr. Allard: I have a supplementary question, Mr. Speaker.

Could the minister tell the House whether in fact the Royal Canadian Mounted Police has files on some people who are now federal members of parliament?

[*English*]

Mr. Allmand: Mr. Speaker, as I have just said the RCMP does not have files on any member of parliament unless he was suspected of a criminal offence or subversive activity. If we were investigating a certain member of the House of Commons we would not announce it in the House of Commons.

[*Translation*]

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

Could the hon. minister tell the House if, in case a file existed about me or any other member of parliament, we could look into it?

[*English*]

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

Mr. Allmand: Well, Mr. Speaker, as I said if there were an active file in respect of a member of the House of Commons, I certainly would not advise the person being investigated that he was suspected of some offence. If the hon. member is referring to a closed file or something similar, I think it would be up to the member to come to see me on that and I would discuss it with him.

Mr. Speaker: Is the hon. member for Hastings rising on a point of order?

Mr. Ellis: Yes, just briefly, Mr. Speaker. The Solicitor General said no members of parliament were investigated unless they committed a crime, as I recall what he said, or were suspected of criminal activity. Having been subjected to an investigation by the RCMP because of some interest I had in the Unemployment Insurance Commission about a year ago, I know that not to be true. I just hope the Solicitor General is not accusing me of some criminal activity.

● (1430)

Mr. Allmand: Mr. Speaker, it is the policy of the RCMP only to investigate individuals, whether or not they are members of parliament, if they are suspected of committing an offence or suspected of subversive activity.

Some hon. Members: Oh, oh.

Mr. Allmand: The hon. member made an allegation that he was investigated by the RCMP. That is a serious allegation, and I will check into it and report to the House.

* * *

FINANCE

EFFECT OF INCOME TAX PROPOSALS ON MINING COMPANIES—SUGGESTION COMPANY REPRESENTATIVES OR PROVINCIAL MINES MINISTERS BE ALLOWED TO MAKE SUBMISSIONS

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, in view of the very serious charges that have been laid by the ministers of some of the provinces vis-à-vis federal ministers of the Crown breaking their word and agreements, I wonder, in the interests of being constructive, if I could not ask the Minister of Finance a question in the hope that he will take it in the spirit in which it is meant. In view of the fact that mining companies, as distinct from oil and gas companies, are very hard hit by the double taxation of the present budget, will the minister give an opportunity for this industry to make representations before the ways and means motions on income tax become law?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not know of any way under the present procedure in which that could be done, since the ways and means motion and the subsequent bill are dealt with on the floor of the House.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Since I have failed in getting an opportunity for the mining industry to present its case, I wonder if the minister—in view of the fact that the mines ministers conference will be held next week on December 4, 5 and 6—would give some assurance that the views of Provincial Mines Ministers will be considered before the ways and means motion is finally passed and made into law.

Mr. Turner (Ottawa-Carleton): I would certainly want to hear what they have to say, but I want to say to the hon. member that officials of the mining industry have seen me on several occasions since the May 6 budget and are well aware of the situation on provincial and federal taxation. I have also had separate meetings with the mining association of British Columbia and several of the other provinces, and I would be glad to have anything else they could add.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I understand the answer of the minister about the mining companies in response to my first question, but I am asking now about provincial ministers. Will they be given a chance of representing the mines of their provinces?

Mr. Turner (Ottawa-Carleton): When they are down here, if they would like to see me my door is open.

* * *

ROYAL CANADIAN MOUNTED POLICE

ALLEGATION MEMBERS OF PALESTINIAN LIBERATION ORGANIZATION PLAN TO ENGAGE IN TERRORIST ACTIVITIES IN CANADA—PRECAUTIONS TAKEN BY FORCE

Mr. Sean O'Sullivan (Hamilton-Wentworth): My question is directed to the Solicitor General. It arises out of the deportation from Canada on or about October 29 of two suspected members of the Palestinian Liberation Organization who jumped ship at Thunder Bay. Could the minister advise the House whether the RCMP has uncovered or is investigating the possibility of the existence of a conspiracy on the part of the murderous PLO to have their members jump ship at Canadian ports in anticipation of terrorist activities at the 1976 Olympics?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the story that appeared in some of the newspapers that two suspected members of the PLO jumped ship in Canada was not correct, and that story was never confirmed by me or by the RCMP. What happened is the following: On October 28 at Thunder Bay two crew members of a Greek ship deserted. On October 29, the Salvation Army telephoned the RCMP to report that the deserters were there and wanted to surrender to Canadian authorities.

Mr. Fairweather: They infiltrated the Salvation Army.

Some hon. Members: Oh, oh.

Mr. Allmand: Hon. members do not seem interested in hearing the answer, Mr. Speaker.

Mr. O'Sullivan: Quite the contrary, Mr. Speaker. We are critically interested in the answer to the question.

Some hon. Members: Oh, oh.

An hon. Member: So listen to it.

Mr. O'Sullivan: My supplementary question to the minister—

An hon. Member: On an answer you didn't hear.

Mr. O'Sullivan: —is whether the RCMP has taken precautions to ensure that the PLO will not succeed in any plans they may have of which the RCMP may be aware to plant terrorists in Canada. Furthermore, would the minister say whether discharged Constable Samson of the RCMP had in his possession all the details of the security arrangements surrounding the 1976 Olympics?

Mr. Allmand: I will continue to answer the first question. Following the call from the Salvation Army, the RCMP and the immigration authorities picked up these two individuals and had them deported to their own countries, namely to Greece and to Syria. The only allegation that these people might have been related to the PLO is a statement by the captain of the ship that he thought that one of the two was a member of El-Fatah, but the RCMP found no information to back that up, and they also say that there is no organized effort to plant cells in Canada by jumping ships.

With respect to Samson, we have no information that Samson had plans for Olympic security and was selling them, as alleged recently by the hon. member for Northumberland-Durham (Mr. Lawrence).

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EXTERNAL AFFAIRS

MIDDLE EAST—CANADIAN POSITION ON MAINTAINING TRUCE SUPERVISORY FORCE—POSSIBLE CHANGE IN ROLE OF FORCE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is directed to either the Secretary of State for External Affairs or to the Minister of National Defence. It has to do with the status of the Canadian forces in the Middle East and the present position of our men. Has Canada now been invited to commit troops for a further period in that theatre and, if so, for what duration of time and, if not, will we withdraw our troops in the near future?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): With respect to the UNEF, there has been an invitation from the Secretary General of the UN to commit the force for another period, and that is presently under consideration by the government. With respect to the force operating in the Golan Heights, the mandate expires at the end of November, and that presently is also under consideration by the government.

Mr. Forrestall: Could the Secretary of State for External Affairs expand a little on the nature of the invitation from the Secretary General in terms of what we have been asked to do. Are we to take from the minister's reply that we are there to continue in the role that we were invited to play at the outset, or has there been any change in the status of the role which would involve, for example, an expansion in the number of troops?

Mr. MacEachen: My understanding is that there has been no changed role proposed for Canada, but in the light of the question I will be ready to double check. However, that is my impression at the moment.

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HOUSING

DATE FIVE HUNDRED DOLLAR GRANT AVAILABLE—REQUEST FOR EARLY INTRODUCTION OF LEGISLATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the minister responsible for housing, and I think he has notice of this question. On November 1 he advised the House and the nation that: "Rather than wait until legislation can pass through the House, I wish to make this benefit available to families immediately". I am referring to the $500 grant with regard to housing. Subsequently, I have been advised by CMHC that this grant, although effective as of Novem-

ber 1, 1974, cannot be made until the necessary legislative authority is given, which is expected within the next several weeks. There seems to be a problem here, some misunderstanding as to what the minister's attitude is, and I hope he can clarify it now. Is that money available immediately, as he indicated in his statement of November 1?

Hon. Barney Danson (Minister of State for Urban Affairs): I thank the hon. member for bringing this misunderstanding to my attention, but I would like to draw his attention to the total statement as it appeared on page 2 when I said:

> In other words, Mr. Speaker, the legislation, if approved, would be retroactive and would benefit people who bought and occupied their new house now, without waiting any longer.

In other words, we must wait for the legislation. The commitment is being made as of November 1. I wanted Canadians, including the hon. member, to know where they stood. As soon as that legislation is brought in, the moneys can be paid in accordance with the will of the House.

● (1440)

Mr. Alexander: Mr. Speaker, the minister cannot fluff me off that way. The statement was definite. It shows purpose and intent, that the money is available immediately. Now, apparently, the money is not available immediately and legislation is required before the payment can be made. In order to—

Mr. Turner (Ottawa-Carleton): Question.

Mr. Alexander: What is the Minister of Finance saying? He had better look after his job.

Some hon. Members: Hear, hear!

Mr. Alexander: In order to give some hope of this payment being immediate, will the minister use his influence and see to it that this legislation is given priority in the near future.

Mr. Danson: Mr. Speaker, I need not use much influence as my colleague, the Leader of the House, has already told me that he will give priority to this legislation as soon as it is ready. It is in the final stages of drafting and we hope to introduce it in the near future.

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EXTERNAL AFFAIRS

ROLE OF ISRAEL IN DECIDING ATTENDANCE OF REPRESENTATIVES OF PALESTINIAN LIBERATION ORGANIZATION AT GENEVA CONFERENCE—POSITION OF CANADA

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, my question is to the honourable and learned Secretary of State for External Affairs. It is based on his speech to the United Nations General Assembly in which he declared that Israel should be an essential party in deciding the question of the PLO's attendance at the Geneva Conference. Assuming that the minister is aware of the Israeli government's public statements on this matter and considering that the Palestine created by the UN is under Israeli occupation and that one and a half million Palestinians are in refugee camps, how does he envisage the Palestinian representatives being at the Geneva Conference?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I do not know whether my vision is involved in the earlier statement. It seems to me self-evident that, unless there is concurrence on the part of Israel with regard to whom it will negotiate or with whom it expects to negotiate, there is little prospect for a settlement or any negotiated result. That is why it is obvious that Israel has a role to play in deciding which group, body, person, organization or combination thereof will speak for the Palestinians.

Mr. Macquarrie: Mr. Speaker, may I ask a supplementary question for clarification. Is it the view of the minister that Israel will be able to exercise a veto over the composition of the other delegates at the conference?

Mr. MacEachen: Mr. Speaker, I would not put it in that negative form but I believe that it is reasonable to expect that Israel, as one of the interested parties, will be involved in reaching a decision as to what personality, body or representative will speak for the Palestinians. It is hoped, in the circumstances, that the question of the veto will not arise on either side of the negotiations.

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TRANSPORT

RAILWAY FREIGHT RATE FREEZE—DATE OF INTRODUCTION OF LEGISLATION TO FORCE RAILWAYS TO DISCLOSE COSTS OF OPERATION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, my question is directed to the Minister of Transport. As early in October the President of Canadian Pacific said that when the freight rate freeze expires we would see hefty hikes in freight rates and as the railways have now filed application for a 25 per cent increase in rates which were affected by the freeze, can the minister inform the House when he intends to introduce long-awaited legislation which will force the railways to disclose their costs, bearing in mind that such legislation will undoubtedly receive speedy passage in this House.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, perhaps the Leader of the House can convince the other House leaders that we should introduce this legislation right away. It is not complicated, and I hope it will be before the House soon.

SUGGESTED EXTENSION OF RAILWAY FREIGHT RATE FREEZE UNTIL IMPLEMENTATION OF LEGISLATION FORCING RAILWAYS TO DISCLOSE COSTS OF OPERATION

Mr. Les Benjamin (Regina-Lake Centre): A supplementary question, Mr. Speaker. Since the freeze was expressly intended to provide an opportunity to review and remove certain anomalies and inequities in freight rate structures and since the attempt to do so has been

thwarted by the railway's refusal to reveal their cost data, will the minister agree to extend the period of the freeze until such time as the proposed legislation is in effect or until the railways have provided the information which is required.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I do not think, personally, that that would serve any practical purpose, because, as you know, the freeze touches only about 22 per cent of the revenues of both the CN and CPR. We do not know exactly how rate structures are made up; we do not know exactly which ones would be affected and we shall only know when CN and CPR file their applications with the CTC. So, I think the most efficient thing to do is to introduce the legislation as soon as we can.

RAILWAY FREIGHT RATE FREEZE—INTENTION OF GOVERNMENT WITH REGARD TO PAYMENT OF COMPENSATION TO RAILWAYS

Mr. Les Benjamin (Regina-Lake Centre): A final supplementary question, Mr. Speaker. As both railways have succeeded in making the government, and particularly the Minister of Transport, look very foolish, because they have thwarted the intent of the freeze, will the minister advise the House—I asked him this earlier in October—how much money the railways have received in compensation as a result of the freeze or whether the government intends to pay anything, since the railways have refused to give the information which is needed.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this matter is being negotiated right now.

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ABORTION

LETTER CONTAINING VIEWS OF MINISTER OF JUSTICE SHOWN BY CANADIAN BROADCASTING CORPORATION—SUGGESTED INVESTIGATION TO DETERMINE RESPONSIBILITY FOR RELEASE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, my question is directed to the Minister of Justice. Would the minister care to table or otherwise make available the letter he wrote to the Secretary of State in which he gave his views on abortion, as the letter was shown on the CBC national news last night. May I also ask my supplementary question, which is this: If the letter is confidential, is an investigation under way to determine how it became available to the CBC, as the minister refused to table it in this House.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, this is certainly not the type of correspondence ordinarily tabled, and we are looking at the second part of the question.

Mr. Fairweather: Mr. Speaker, the second part of the question was, "or otherwise make available."

BASIS FOR STATEMENT BY MINISTER OF JUSTICE—GOVERNMENT SHOULD NOT FINANCE GROUP ENGAGED IN ILLEGAL ACTIVITIES—PRODUCTION OF EVIDENCE

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my supplementary question is this. In the letter, the contents of which were broadcast over the CBC last night, the Minister of Justice said that it is so unseemly and against our political interest to have the federal government involved in financing a group engaged in illegal activities. Can the minister advise the House whether the advice he gave the cabinet as the cabinet's legal officer was based on his political interest, or was it based on a proper legal interpretation of the Criminal Code given by the law officers of his department.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I should like the hon. member to understand that the word "political" has a broad, important and honourable meaning. The federal government, in considering these matters, should take into consideration how a government appears to act as well as how it acts in the interests of the public and in upholding the laws of the country.

Mr. Leggatt: A supplementary question, Mr. Speaker. That letter also referred to illegal activities which allegedly were carried out by that particular women's group. Did the minister have any evidence of illegal activities? If so, did he request the Attorney General of Saskatchewan to lay charges based on that evidence, and will he table the evidence, if he has it?

Mr. Lang: Mr. Speaker, I think the hon. member's premises are false.

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POST OFFICE

FIRE IN TERMINAL A, TORONTO—POSSIBLE LOSS OF PENSION OR FAMILY ALLOWANCE CHEQUES—GOVERNMENT ACTION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. Will the hon. gentleman inform the House and the people of Canada if the disastrous fire in Terminal "A", Toronto—

Mr. Fairweather: Burn the old mail!

Some hon. Members: Oh, oh!

Mr. Dinsdale: Mr. Speaker, I thank the hon. member for Fundy-Royal for his assistance. Will the Postmaster General inform the House if the fire caused a further delay in the handling of the 50 per cent of mail which passes through this important terminal daily and, specifically—if I may ask my supplementary question now—has there been any loss of pension cheques or family allowance cheques? If so, what action is being taken to meet this emergency?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, there was a serious fire during last evening in Terminal "A", Toronto. I do not think there is anything humourous about the fire. There was about $2 million worth of damage although, happily, no family allowance,

pension or welfare cheques were burned, thanks to the tremendous cooperation of the Toronto police and Toronto firemen, who were able to protect the mail on the bottom two floors with tarpaulins. But for their help the damage would have been more extensive. We are very grateful to them. We have also hired other premises in the Toronto Exhibition Centre in order to continue the mail operations. The mail that has been damaged is mostly mail going to and from overseas as well as third-class mail.

* * *

● (1450)

[*Translation*]

INDUSTRY

UNITED AIRCRAFT—POSSIBILITY COMPANY MAY MOVE OUT OF QUEBEC

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to put a question to the hon. Minister of Industry, Trade and Commerce.

Since comments were made public last week to the effect that United Aircraft of Canada Limited might completely move its operations outside Quebec if the conflict that affects it were to last, is the minister aware of such a possibility and, if not, could he get some information about it and report to the House?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not aware of that probability. Of course, there is always that possibility, but I have satisfied myself that it is not a probability.

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GRAIN

MALTING BARLEY—SUGGESTION PREMIUM SHOULD BE PAID TO THOSE WHO PRODUCE THIS TYPE OF BARLEY

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I have a question for the Minister of Justice in charge of the Canadian Wheat Board. Can he assure the House that the $1.15 premium paid for malting barley will go to those producers who produce the malting barley?

Hon. Otto E. Lang (Minister of Justice): As the hon. member well knows, Mr. Speaker, it has been common practice for the premium on this particular grade of barley to be distributed in the pool that relates to that grade, apart from whether or not their barley was selected for malting. The wheat board has under consideration a possible proposal to recommend a separate pool for selected malting barley. Needless to say, if the wheat board recommendation comes forward, I will bring it forward as soon as possible.

Mr. Horner: Would the practice outlined by the minister not tend to distort feed barley prices on the open market?

Mr. Lang: I do not think so, Mr. Speaker. The real question is whether it is more fair to distribute the premium for the barley selected only to those farmers whose barley was selected by the malting companies or whether it should be distributed to those farmers who produced that particular kind of barley and sold it otherwise into the system. Over the years up to this point the weight of farmer opinion has been in favour of retaining the malting premium for all farmers who produce that particular grade or quality. There is a bit of evidence regarding a change of mood among producers at the present time.

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EXTERNAL AFFAIRS

COMMITMENT OF FIFTY MILLION DOLLARS FOR AID TO NEEDY COUNTRIES—GOVERNMENT INTENTIONS WITH REGARD TO USE

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Secretary of State for External Affairs. At the World Food Conference in Rome the government pledged $50 million of development assistance for the current year. Subsequently, the minister told this House on November 14 that the money had been committed, but not designated. My question is, committed for what? Specifically, can this $50 million be used to send food now to nations experiencing severe crop shortfalls, particularly Bangladesh where severe cold, floods and crop failures have produced destitution?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I recall making a statement in the House during my speech on the address to the effect that that question of allocation of $50 million was under consideration. I do not contest the hon. member's use of words, but I do not think I put it exactly that way. In answer to the second part of the question, the money could be used for current hunger situations, including Bangladesh. At present there are a number of proposals relating to a number of countries under consideration. I hope to be able to make a statement or an announcement on this matter as soon as a final decision is made.

Mr. Roche: Since the World Food Conference in Rome, several members on this side have been trying to find out how the $50 million will be used. I previously asked the Minister of Agriculture specific questions. He said the answers would be forthcoming in his statement which was given in this House last Friday. Specific answers to the specific question of how the $50 million that we said in Rome we were going to send have not been given. Did the minister go to Rome and pledge $50 million without any idea as to how that $50 million would be used?

Mr. MacEachen: No, Mr. Speaker, not at all. Specific answers will be given which I think will be satisfactory to my hon. friend.

REGIONAL ECONOMIC EXPANSION

NOVA SCOTIA—DATE WHEN METROPOLITAN AREA GROWTH INVESTMENTS LIMITED WILL BECOME OPERATIVE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. Were all political roadblocks cleared away by the minister and the premier of Nova Scotia in their recent meeting insofar as finally having Metropolitan Area Growth Investments Limited, an important Crown agency which was funded for $20 million in 1973, become operative and useful? Can the minister now confirm that this important agency is now in a position to fulfill a useful and active role?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, certainly any disagreements there were as to procedure have been cleared away. They were not serious disagreements, but they are now out of the picture. We are in the process of searching for a chief executive officer. If I can take the time of the House, if any hon. member knows of a good candidate, I would be pleased to hear about it.

An hon. Member: Stanbury.

Some hon. Members: Hear, hear!

Mr. Speaker: Orders of the day.

Miss Nicholson: Mr. Speaker, I rise on a question of privilege. The record of the vote last night has excluded my name and substituted the name of Mr. Nielsen. I would just like to explain that I really do not think Mr. Nielsen and I look at all alike.

Some hon. Members: Hear, hear!

Mr. Speaker: I am sure you would not vote alike. However, it was observed that this error had been made in the transcription of *Votes and Proceedings.* Steps have been taken to make sure the record is correctly reported.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Monday, November 25, consideration of the motion of Mr. Turner (Ottawa-Carleton) that this House approves in general the budgetary policy of the government.

Mr. Speaker: The hon. member for Malpeque (Mr. MacLean).

Mr. MacLean: Mr. Speaker, I was under the impression that a member of another party was to speak at this time.

Mr. Speaker: The Minister of Industry, Trade and Commerce (Mr. Gillespie).

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I thank the hon. member for Malpeque (Mr. MacLean) for clarifying the situation. I was not aware Your Honour had called orders of the day. With your permission, Mr. Speaker, I would like to speak at this time.

Mr. Speaker: Please allow me to assure the minister that I did in fact call orders of the day, after which the Clerk read the appropriate order, resuming debate on the motion of the Minister of Finance. Everything now seems to be in order to proceed with the minister's intervention in this important debate.

Mr. Gillespie: I would like, Mr. Speaker, in the time at my disposal to direct my remarks to the problems and opportunities that prevail in international trade and their effect on Canada's industries. Very clearly, there are important implications in the efforts of countries to deal with inflation while encouraging economic growth. Equally challenging is the problem of adjusting to rapidly changing international trade payments and patterns caused by price changes, particularly for oil. Of course, as all hon. members are aware, there is great need to quickly come to grips with the food needs of the world. If I were to try to put the problems facing us in a few words, I would say they are problems of political will and of confidence.

● (1500)

The international trading system is under enormous and conflicting pressures brought on primarily by balance of payments problems and by inflation which has shaken confidence in some quarters. This is why the individual and collective will of the trading nations to keep the system going is so important at this time. The difficulties of managing balance of payments adjustments are considerable and I do not want to underestimate them, but I am encouraged that governments of major trading countries are concerned about the risks of unilateral action designed to restrict imports to safeguard their balance of payments in the face of high energy bills. I believe there is an earnest desire on all sides, out of self-interest if nothing else, to co-operate in solving this problem. It is reflected, for example, in the trade pledge adopted last June by members of the OECD. With this pledge, governments undertook a political commitment against introducing import restrictions for balance of payments reasons.

Moreover, much effort is being devoted to finding political and economic ways and means of recycling earnings of the oil exporters to countries whose payments positions have been jeopardized by the energy crisis. The energy problem has demonstrated in a stark way how interdependent are the trading nations of the world. At a time of difficulty, perhaps it is worth recording that world trade has expanded many times since the Second World War and that as citizens of a major trading country we are richer for it. In large measure, this growth stems from the six rounds of tariff-cutting negotiations carried out under GATT auspices since 1947. We are now preparing for the seventh round—the Tokyo round. In this round we shall be seeking easier access abroad for more of our manufactured goods so as to enable a higher degree of processing of our natural resources in Canada before they are exported.

Foreign trade barriers, both tariff and non-tariff, are a major impediment to further processing in Canada. We look to these multilateral trade negotiations as the most effective way or removing or reducing these barriers. To this end, we are promoting a "sector approach" in the context of GATT negotiations, advocating a uniform or zero tariff for all steps of processing of, say, a mineral up to its fabricated state—from the ore to the beneficiated ore, to the smeltered metal to the refined metal, to the fabricated metal products; the whole chain of further processing.

In preparing our position for the GATT conference we have been fully aware of the interests of the provinces. Over a year ago I invited the provinces to submit their views on what they would like us to obtain from the negotiations and what they would be prepared to concede. I have held a number of meetings with my provincial counterparts to discuss these questions. A number of useful meetings between federal and provincial officials have also been held. Some provinces have already submitted their views and these will be most helpful to the Canadian negotiators. I should like to take this opportunity to invite those who have not already done so to submit their views. I hope the Canadian negotiators will shortly be able to move into the intensive phase of these discussions which have been delayed pending the obtaining of the needed negotiating mandates by the United States and the EEC.

We have, of course, all been watching with considerable interest the progress, or lack of it, of the U.S. trade reform bill through Congress. The mandate contained in this bill is a vital ingredient for getting on quickly with the new round of trade negotiations. If an effective negotiating mandate is not obtained by the U.S. administration, it will be a serious setback to international trade liberalization. United States leadership is essential if we are to make effective progress at this time. In addition, this is not the time for countries to allow the international trading community to slip back into the dog-eat-dog policies of the 1930s. We should play our part in trying to strengthen international co-operation. I am hopeful the need for an effective mandate will be recognized and pursued urgently to ensure against a serious deterioration in the international trading environment, for time is running out.

Against this background, let us take a look at Canada's current trading picture and make some projections of what we may expect by way of international trade over the next 12 months and even beyond. For the first ten months of 1974, the value of our exports is up by 28 per cent, compared to the same period in 1973. Thus, for the whole of 1974 I now expect that our exports will total more than $31 billion. To put it in another way, I expect that exports will increase by about $6.5 billion over the figure for 1973, compared with a gain of something more than $5 billion from 1972 to 1973. Some may find this surprising, especially in a year when our major trading partners, the United States, the United Kingdom and Japan, have experienced an economic downturn. The increase in our exports has taken place, of course, because Canada is fortunate enough to be a major exporter of a number of commodities which are in short supply and for which prices have risen sharply in the past year. These include wheat, copper and zinc as well as crude petroleum, with regard to which the collective action of the OPEC countries has resulted in even larger price increases.

Although the physical volume of exports of these commodities has been lower in 1974, increases in price have more than offset decreases in volume. The commodities I mentioned have, therefore, made a major contribution to the increase in the value of Canada's exports in 1974. It is largely because of the decline in the physical volume of those commodities, including lumber, that the index of the volume of Canada's total exports has declined in 1974. For the first ten months of 1974 this decline amounted to about 6 per cent, compared with the 1973 levels, and I expect that the decline for the year as a whole will also amount to about 6 per cent. We are aware, too, that the physical volume of our exports of automotive goods has been affected by the drastic slowdown in the United States auto market. A similar decline in housing construction in the United States and a slowdown in Canada have caused a serious problem in Canada's lumber industry.

The budget contains a number of important measures which should help to increase market demand in Canada. I refer particularly to the reduction of the sales tax on building and construction materials from 11 per cent to 5 per cent. There are already indications that this is being reflected in lower average housing costs. Second, there is the change in the treatment of capital cost allowances on new, multi-unit residential buildings put up for rent. Parenthetically, I might mention another helpful measure—the provision for a $500 cash grant to individuals who purchase for the first time new, moderately priced housing units.

Returning to the budget, I hope, too, to see more developed land coming on to the market because we have eliminated the privilege of taxpayers to charge against income the carrying costs on land awaiting development. There is, also, the provision for capital cost allowances at 15 per cent to firms who hold certain types of timber limits and/or licences to cut timber. We all recognize that transportation is a major cost factor in forest-based industries. Thus, the complete elimination of the 12 per cent sales tax from a wide range of transportation equipment, including large trucks, will be felt not only in forest-based industries but also in downstream industries, including residential construction.

● (1510)

My department is carrying on a vigorous export promotion program. As a matter of fact, a timber trade mission returns from the Middle East tomorrow and I am optimistic about what it will have to report. Timber exports to the Middle East, by the way, increased from just $75,000 for all of 1972 to more than $3.5 million for the first six months of this year. I believe this is an illustration of what aggressive promotion can accomplish. We found a new timber market in Cuba which took nearly $3 million worth of lumber in the first six months of this year alone. They imported none at all from us in 1972 or 1973.

We have also been promoting other Canadian export interests. All hon. members are aware that I led trade missions to Mexico, the Middle East countries, and Brazil this year, and I can assure them that in every country we were impressed by the great interest in Canada and in the

desire to co-operate with Canada in the development of closer trade and economic relations.

As a result of my visit to Iran in April, for example, it has been agreed to conclude a trade agreement with that country to facilitate the flow of goods from both sides. It is apparent that a wide scope exists for a wide exchange of products, the employment of Canadian expertise, the establishment of joint ventures and other forms of economic and technical co-operation between the two countries. In Brazil, just last month, I was further convinced that aggressive marketing by Canadian entrepreneurs can and will pay off. Brazil itself presents myriad opportunities. This year we have already trebled our trade with Brazil, on a year to year basis, over last year. Our increase in exports to Brazil this year will be of the order of $200 million. These opportunities in Brazil range all the way from increasing our current exports to establishing new, joint ventures with Brazilian partners.

I submit that there is sufficient international demand to give the Canadian economy a needed stimulus and to provide the confidence that market opportunities can indeed be captured by an aggressive Canadian business community. At the same time, however, I have been impressed by the need for flexibility in our trading strategies. In certain developing countries, for example, I can see direct participation in their industrial development as clearly the best way to strengthen our trade and economic relations. I am encouraging Canadian business interests to look at the opportunities provided by joint ventures. I also plan to continue the market development program that I have initiated through trade missions to ensure that Canada does not lose out on the major, new international trade and economic opportunities.

As for next year, we must be realistic. We must recognize that Canada cannot much longer escape the impact of continuing economic stagnation in our trading partners. It looks as if the rest of the industrialized world will experience marginal economic growth next year, particularly during the first half of the year. This means that recovery, in physical volume, of our exports will be slow in 1975, certainly in the first half of the year. In spite of that, however, we should still obtain a moderate increase in total value of exports.

Over the longer run, I am optimistic. Canada has been steadily building an internationally recognized and internationally competitive industrial base. It has a strong supporting institution in the Export Development Corporation and has a variety of programs offered by the Department of Industry, Trade and Commerce. What is essential to our export outlook at this time, in view of the slowdown abroad that I have noted, is that Canadian entrepreneurs keep up the momentum of recent years even though in the short run it may not appear to be in their immediate interest. But over the long run it will clearly be in their interest and it will be in the interest of Canada. I can assure them and Canadians generally that we will be doing our part to assist them.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, when I go around my constituency and discuss with the people I represent matters that are of special interest to them, I find that not since about 1938, which is many years ago, have so many people been apprehensive and worried about the future. This is due partly to the fact that they cannot see ahead. They are troubled about where they are going, not only as a province and as a country but as a western civilization. In addition, they are beset by economic problems. They feel lost in a sort of desert of shifting sand, their savings depreciating and their costs escalating. Goals which were almost within their reach quite recently are now suddenly unattainable. The necessities of the immediate future they find have been squandered in the luxuries of the immediate past.

There are three important matters with which I find my constituents concerned, and I propose to talk about them for a few minutes but not in order of their importance. These three problems are the energy crisis, inflation, and what I might term loosely as the food crisis. For a few decades now North American civilization has been infatuated with the high-powered automobile. We have been producing millions of cars that consume twice as much gasoline as necessary to travel a given distance. It seems unreasonable to me, and I think to most people, that an automobile should require a gallon of gasoline to transport one man perhaps 10 or 12 miles, which is often the case in our large cities where people insist on using high-powered automobiles, expensive ones at that, which consume a large amount of gasoline. Other cultures are not so dependent upon the automobile as are we in North America.

In addition to this, in the last few decades there has been great mechanization in the field of agriculture, with a parallel input of energy in the form of petroleum products. Added to that we have, of course, begun to use oil almost exclusively for heating homes because of its convenience and for other reasons. I think that for many years we were living in a fool's paradise. The cost of crude oil remained fairly steady, but as times changed and the western world became more and more dependent on oil from the Middle East and other sources, and it became a sellers' market instead of a buyers' market, it became inevitable that the cost of petroleum products in their raw state would increase.

This is exactly what has happened, Mr. Speaker. For many years the price of crude was around $3.85 a barrel, basis Edmonton. I do not know exactly what that would mean, but I suspect it would mean that the countries in the Middle East would charge, by way of royalties or taxation, something like $1.70 per barrel of oil exported. At the same time, countries in which these products were being consumed were taxing them to an even greater extent. The provinces were collecting an average of $2.40 a barrel in the form of gasoline tax on Middle East oil imported into Canada, from which gasoline was extracted. It was hardly surprising, in that situation, that the cost of oil would greatly increase.

● (1520)

Canada is in the relatively happy position of being self-sufficient in oil and will be for a couple of years or longer because our exports equal our imports. This created a special problem because we wanted the cost of crude to Canadians to be below the world price and the only way to accomplish this was to impose an export tax on what we exported, to subsidize what we imported. Under these circumstances no one objected to this tax because in that

way the differential between the cost of crude oil to Canadians and the higher world price was maintained. In these circumstances, the producing provinces had to make a concession for the common good and they have been very generous in the matter of the distribution of this export tax.

In addition, the exporting provinces own the resources, under the British North America Act. Petroleum is a non-renewable resource and the provinces are concerned that they obtain a reasonable benefit from the exploitation and selling of this resource which can only be sold once. Therefore, they impose royalties. Someone has likened royalties to rent in doing business. There may be some similarity in the case of renewable resources such as stumpage on forest land, and that sort of thing, but in the case of non-renewable resources there is no relationship between rent and royalties. Royalties represent the sum of money a province receives for what it sells because one day its non-renewable resources will be gone forever.

The Minister of Finance (Mr. Turner) declared in his budget that royalties paid to a province are not legitimate deductions in computing income tax. Royalties paid to a foreign country are allowable, but if royalties are paid to a province they do not represent a legitimate deduction in computing income tax. What the government is saying, in effect, is that royalties paid to a province are illegitimate; they are not legal and should not be considered. This position is high-handed, unfair, untenable and even illegal. I implore the Minister of Finance to re-examine his position with regard to royalties. The minister has made a long and involved argument in favour of this stand, on the basis that royalties in some cases are not really royalties but are camouflaged taxes that erode the federal tax base, and that sort of thing. I am not arguing that there is not some basis for that argument and I would agree that this may be so in some cases. But that is not justification for denying what I believe to be a superior right of a province, that is, to charge royalties on resources that are owned by the provinces and exploited by companies.

Surely, a much better solution would be found if the Minister of Finance were to agree that these royalties will be accepted as legitimate deductions for income tax purposes up to some mutually agreed amount, either a percentage or a specific amount based on the quantity produced, or something else that could be worked out. I am not suggesting the technicalities here, but I think this could be done. The minister said that to find a solution of this sort would be very difficult. That is an old, old argument. I remember perhaps 20 years ago when the suggestion of making cash advances on farm-stored wheat was put forward time and time again. The government of that day said it would love to do this, but it was technically impossible and too complicated. The government gave a million reasons why this could not be done. However, the government changed, and it was done; it was not found too difficult. I think a way could be found and I implore the minister to try to find it. Surely a compromise could be reached without violating the basic right of a province to charge royalties on the exploitation of the natural resources which it owns.

At the present time, primarily Alberta is involved. However, we should not forget that presumably most of the oil in Alberta has already been found, and if we are to find additional large quantities of oil in Canada they will be found either on land that is under the jurisdiction of the federal government or in a province or provinces other than Alberta. Therefore, every province has an interest in this principle not only in respect of petroleum products but in respect of the whole spectrum of natural resources. As far as petroleum is concerned, we in the Atlantic provinces feel that the federal government has a penchant for confiscation. It is argued that offshore resources belong to the federal government. The government now thinks that as far as the Atlantic provinces are concerned, if commercial quantities of oil are found in that area it will not matter, because the federal government says it has a prior right over natural resources discovered offshore.

Referring to page 11 of the budget speech of November 18, the minister said:

> Third, the federal government should recognize the special position of the provinces with respect to the taxation and charges on resources within their boundaries.

I agree with that. The trouble is the minister says this but has not done it. This government is doing the opposite, and I suggest it should do what the minister has said it should do. I have taken more time on this matter than I intended, and I now turn for a few moments to the problem of inflation. It is my belief that high government expenditure is a considerable factor in inflation in this country. It is perhaps not the most important factor, but it is important. I am concerned about the rapidly accelerating and excessively large expenditures of governments in Canada, not only at the federal but at all levels. The federal government is not without blame, by any means, in this regard. The minister was interviewed on television the other night. I had the pleasure of watching him for a little while. He was asked the following question by Mr. Lynch:

> Why don't you admit that the thing is beyond your control, as many people think?

He was speaking of inflation and the expenditures forecast for the next fiscal year. The minister replied:

> I won't admit that at all. I will say that the discretionary element in those expenditures is about $7 billion or $8 billion out of $35 billion because a lot of it is statutory, a lot of it is federal-provincial in medicare, hospitalization and equalization, some of it's the servicing of the public debt, and so on . . .

● (1530)

With that I agree. However, if one looks at the forecast for the next fiscal year it will be seen that it is roughly $35 billion. If we subtract even the larger of the two figures mentioned by the minister, $8 billion, we are left with $27 billion. The minister, in effect, is saying that the non-controllable expenditures for next year will be about $3½ billion more than the total expenditures for last year. In that light I think it is fair to say, unhappily, that government expenditures are out of control. The rate at which they are out of control is a question that remains, but the fact is that these trends must turn around; we cannot go on like this indefinitely without something going bust.

As a nation, we must reverse some of these trends. We must control them or level them out so that such a large amount of earnings will not be extracted from Canadians

in the form of taxation. I have been talking about billions of dollars. Speaking of millions or billions of dollars makes the figures become almost meaningless; however, we should not forget the astronomical sums of money which are being spent by the federal government. Someone said, in this respect, that if one were to give his wife $1 million and she spent $1,000 a day, she would be broke in about three years and would be asking for more; but if one gave his wife $1 billion and she spent $1,000 a day, she still would not have run out of money at the end of 3,000 years. We tend to think there is only one comma between one million and one billion, but there are three in one billion. Therefore, people are concerned about the future and I believe there is a confidence crisis.

Last weekend I was reading an official booklet put out by Air Canada which referred to how one might benefit from the monetary crisis. It advised people travelling by Air Canada to buy gold, silver or Swiss francs. I think what we need in Canada is an atmosphere in which Canadians can believe that their best future lies in the development of this country and in the principle of production. If we can increase our efficiency and our productivity, prices in real terms are bound to be more advantageous for the consumer.

I wish now to turn to another matter. I am sorry that I have only a few moments left to deal with it. I refer to the crisis in respect of food production. Over the last 30 years Canadians have been able to buy economically-priced food. In my judgment, food has been underpriced for many years. For almost three decades the price received by the primary producer has remained practically constant. The price to the consumer has increased gradually, but this is due to the fact that food is being marketed in an ever higher state of processing. Also, the cost of distribution has increased. But the price the primary producer has received for his product has remained almost static for about three decades.

Under these circumstances, the principle of supply and demand has broken down. As prices dropped, the primary producer, instead of producing less tried to produce more in a neverending attempt to stay out of bankruptcy. In the process thousands, if not millions, of farmers in North America have been forced off the land, with the consequent effect that in order to gain the degree of efficiency needed to produce food at low cost there had to be large units of production with very high inputs of energy, in the form of petroleum products, and fertilizers. No longer does the farm produce its energy as well as food. With the terrific increase in the price of energy in the last couple of years, the cost of producing food has skyrocketed.

I have almost finished, Mr. Speaker; I see that you are becoming very restless. Perhaps I would be allowed one more sentence, and I shall leave it at that. The result is that we can never expect to buy food as cheaply, even in constant dollars, as has been the case over the last few decades. We can have cheap food now and starvation in the future, or we can have reasonably priced food now, economically distributed, guaranteeing continuous production in the future.

At this moment, many beef producers in my riding are on the verge of being forced out of business. There is general apprehension on the part of many people that perhaps it is beyond the power of governments in a democratic system to take the resolute action which must be taken now to control inflation. I believe some governments in democratic countries can control inflation, but it would seem this government is not one of them.

Mr. Mike Landers (Saint John-Lancaster): Mr. Speaker, first of all I would like to remind the Liberal cabinet that on July 8, 1974, we had an election and that by accident, design or otherwise I was elected to the government side of the House of Commons to represent Saint John-Lancaster. Prior to July 8, 1974, one of the main thrusts of my campaign was to convince the voters of Saint John-Lancaster that our constituency should have a member on the government side of the House of Commons. Apparently, the voters were convinced.

Now, Mr. Speaker, I hope to be able to convince the cabinet that Saint John-Lancaster should be recognized for the foresight and insight of its voters. More specifically, I hope to be able to convince the Minister of Transport (Mr. Marchand) and the Minister of State for Urban Affairs (Mr. Danson) that the constituency of Saint John-Lancaster has some special needs. With regard to the Department of Transport, I have come to realize that a "no" answer can normally be expected to requests made of that department. My complaint is that the "no" answer is often a long time arriving and often precludes a member of parliament making attempts to modify the "no" answer to a "perhaps" answer.

In the constituency of Saint John-Lancaster we have a number of problems. However, we have one urgent need—more housing; especially more low-rental housing and senior citizens' housing. I fully realize, Mr. Speaker, that this problem is not unique to my constituency, and I was pleased to hear the budget proposals in relation to housing. However, due to an industrial construction boom in Saint John-Lancaster, workers are being imported from the rest of the province, the rest of Canada and from countries throughout the world. These workers come armed with lucrative expense accounts and are prepared to pay higher rents than regular citizens of Saint John-Lancaster can afford.

● (1540)

The influx of workmen has caused a serious housing shortage, and because many of these workers are on expense accounts, rents have escalated rapidly, putting them out of the reach of low-income families and out of sight for senior citizens. Each and every week since I was elected I have received a minimum of five supplications for housing. One senior citizens' apartment tower presently under construction received, before construction began, five applications for each unit that would become available. Because of the housing crisis I implore the cabinet generally, and the Minister of State for Urban Affairs specifically, to rush to the assistance of my people. The housing shortage is a fact. It will not go away. If, as a member of parliament, I am unable to convince my government to alleviate this problem over the next four years, I shall call upon the voters of the constituency of Saint John-Lancaster to retire me; to march to the polls and turf me out.

Mr. Forrestall: We'll remind you of those words.

Mr. Landers: Many problems exist in the field of transportation. Due to the increase in population and the construction boom, traffic congestion has become intolerable. Immediate negotiations must commence between the federal government and the provincial governments to ensure completion of the Saint John throughway on an emergency basis. The Saint John winter port is badly in need of additional federal funding, not necessarily on a cost-recoverable formula. Although the National Harbours Board and the provincial government apparently could not agree on Rodney terminal, the terminal is almost completed. Some federal funding has been made available; however, the brunt of the cost of Rodney terminal is falling on the backs of the citizens of the province of New Brunswick. I call upon our government to lift the financial burden from the backs of my people and also to provide additional funding for a forest products terminal. Other terminals are needed as well: however, I would call upon government officials and National Harbours Board officials to consult the International Longshoremen's Association before deciding what to build and where to build it.

I now turn to the Saint John airport. A recent list of eight current priorities of the city of Saint John, released by the mayor and council of my city, called for improvement of the airport, including the lengthening of both runways, better navigational aids and lighting, better terminal amenities and improved air service. We are looking for direct, dedicated flights to Toronto, as a first priority, Montreal, Halifax and Boston, plus an improved regional air service and dedicated freight service.

I call upon my government to consider allowing blind and otherwise handicapped people, who have to be escorted to major cities for medical and other attention, to fly at a 50 per cent fare discount on Air Canada flights. Also, the escorts of blind or handicapped persons should be allowed to fly at a 50 per cent discount. If this fare structure were implemented, the present discrimination against such people requiring escorts would be eliminated. I wish to point out that in the provinces of New Brunswick and Nova Scotia, sightless persons and their escorts are allowed a 50 per cent discount on intercity and interprovincial bus services. However, it takes 14 hours to travel from Saint John to Halifax, which is a long and boring trip for a sighted person but, I submit, it is a most painful and even longer trip for a sightless person. Therefore, the Canadian government should provide reduced air fares for blind and handicapped persons requiring escorts.

Mr. Bruce Halliday (Oxford): Thank you, Mr. Speaker, for recognizing me for this, my first speech in the House of Commons. It has been a fascinating study of human behaviour for me, sitting here at the back, listening to and observing 263 other hon. members perform, each in his or her own unique manner. With this event soon to be behind me, Mr. Speaker, you can probably count me as one further member whom you will have to keep in order in the future. Having said that, and acknowledging that at this stage of the first session of the thirtieth parliament it would seem inappropriate to congratulate Your Honour upon being elected Speaker of this House, as hon. members preceding me have so fittingly done, may I take this opportunity to commend and congratulate you on the skill and art which you have acquired and exercised in a short few weeks in your role as Mr. Speaker. Not having been subjectively involved in the debates to date, I have been able to assess, I would say, dispassionately your handling of sometimes difficult situations in a manner which I have felt to be most creditable to the high office Your Honour holds on behalf of all hon. members.

I would say also, Mr. Speaker, that these remarks should be considered to apply equally to the Deputy Speaker and Chairman of Committees of the Whole House (Mr. Laniel), the Deputy Chairman of Committees of the Whole House (Mr. Penner) and the Assistant Deputy Chairman of the Committees of the Whole House (Mrs. Morin). As a new member, I have been impressed by the affability, friendliness and co-operative attitude displayed by the staff under your jurisdiction.

In a few days it will be 21 years since a member representing the constituency of Oxford has given a maiden speech in the House. On that occasion it was the late Wally Nesbitt who so faithfully represented Oxford in the House and whose privilege it was to speak at that time on behalf of his constituents. I am honoured both to be chosen as his successor and, indeed, to sit in the House. Inasmuch as there are only very few hon. members now in the House who were here 21 years ago, perhaps I can be forgiven if I offer a few comments in praise of my constituency.

Oxford is situated in the heart of southwestern Ontario. Interestingly enough, the village of Tavistock where I live, on the northern fringe of the riding, is probably farther from a significant body of water than any other municipality in Ontario. We are about equidistant from the three great lakes—Huron, Erie and Ontario. I hasten to admit, sir, that we do sit on the edge of the headwaters of the Thames River which, although it may dry up in the summer, develops into a significant river as it feeds the reservoir known as Pittock Lake in Woodstock and courses on through the riding toward London and Lake Erie. Morphologically, the boundaries of the riding of Oxford correspond precisely to those of the county of Oxford. As a county in Ontario, we are unique in having been recently granted the privilege and responsibility of undergoing a political internal restructuring in lieu of a scheme of regionalization which has involved large areas of Ontario.

The economy of Oxford is quite diversified, with our population about equally divided between rural and urban dwellers. We are basically an agricultural community with a long and enviable record in the dairy industry. Although cheese-making was carried on in the very early days by pioneer settlers, the first cheese factory in Canada was established in 1863 near Norwich, in Oxford, to be followed two years later by the forerunners of the present Ingersoll Cheese Company which in 1866 produced the still famous mammoth cheese weighing over 7,000 pounds which was shown at the New York State Fair. One year later, in 1867, the Canadian Dairyman's Association was founded at Ingersoll with a convention attended by over 200 delegates from Canada and the United States. As a more timely note, I can say without fear of contradiction that both the right hon. Prime Minister (Mr. Trudeau) and the hon. Leader of the Official Opposition (Mr. Stanfield) would most certainly have been presented with a gift of

Oxford cheese when they visited our riding during the recent election campaign. In addition, Oxford is blessed with a significant mixture of other branches of agriculture, including beef cattle, hogs, poultry, tobacco, cereal and feed grains, increasingly large acreages of corn, turnips and apples.

Our urban balance is maintained by the city of Woodstock and the towns of Ingersoll and Tillsonburg, each of which makes a significant contribution by way of manufacturing and light industry of a remarkably varied nature, much of the products of which are exported across Canada and around the world. This segment of our economy continues to make significant strides, with a good growth potential for the future. Although Oxford, by this description, may sound like a land of milk and honey, we do have our problems in spite of three forays into our riding by the Minister of Agriculture (Mr. Whelan) during the last election campaign. A constituent of mine of a different political persuasion than I, but nonetheless a friend, has strongly urged me to say something nice about the minister.

● (1550)

Well, Mr. Speaker, like other new members I have got to know that he, too, is an honourable gentleman. But more than that, he has provided the farmers of Oxford and, indeed, Canada with an unparallelled challenge by way of an agricultural policy with the ups and downs of a roller-coaster. Like the rest of Canada, our farmers suffer from the same insecurity generated by complete lack of a consistent agricultural policy. Or, again, take the matter of excessive government intervention in the dairy industry. I quote Mr. Philippe Pariseault, chairman of the National Dairy Council of Canada, in speaking to the council back in September:

> Here is a partial list of new intrusions by our benevolent federal benefactors: moisture content of cheese, fat content of butter and cheese, fat content of ice cream and frozen desserts, fat content of yogurt and cottage cheese, generic classification of cheeses, recall code procedure, Companies Act, competition bill, environment Canada regulations, termination of the fluid milk subsidy, enlargement and extension of milk powder subsidy, Maple Leaf grade symbol, increase in support price for butter and powder, maximum coliform content for cheeses, preparation of brief for GATT, preparation of brief for Food Prices Review Board, report on the dairy industry by Dr. McFarlane, regulations for partially skimmed milk, seminar on the dairy industry held by FPRB, emphasis on violations under Weights and Measures Act, Health and Welfare research projects, codex alimentarius—margarine standards.

And, as Mr. Pariseault points out, this all takes more staff, more government spending and either more taxes or more inflation of the money supply. I think it was Thoreau who once said: "Government is best which governs not at all." Mr. Pariseault went on to say:

> There doesn't seem to be anyone in Canada in charge of co-ordinating the over-all federal government's concern and intervention in our industry. We've had Agriculture Canada, Health and Welfare, Consumer and Corporate Affairs, Statistics Canada, Weights and Measures, Environment Canada, dairy branch, Canadian Dairy Commission, food additives, etc. All get into the act and talk about developing more rules and regulations for our industry during this past year.
>
> It is difficult to be too critical about a great deal of this government's activity, but it's the proliferation that is so overwhelming and the timing appears to lack any co-ordination whatsoever. After all, one can have an excess of filet mignon and sex.

It would be redundant and time-consuming for me to detail more of these problems now. But by the same token, many of our industrial and small business concerns and farmers have struggled along during the past six years with inadequate financial support in the way of federal small business loans, which just often are not available, together with a government policy not always favourable to the growth and development of Canadian-owned industry.

I would like to touch on one more specific problem which is not unique to Oxford but concerns southwestern Ontario in general. I speak of the appalling lack of public transportation in the rural areas, a problem which appears to be completely ignored by our present Liberal government. Twenty years ago, virtually all the villages and smaller towns in my area were served several times daily by either bus or train, and in many instances by both. Gradually over the last 20 years these means of public transportation have been withdrawn to such an extent that many communities now have no access to larger urban centres. This is a serious handicap for pensioners, for those who do not drive and for single car families where the breadwinner has the car all day. In many instances it causes commuters to waste gasoline energy when they would otherwise use public vehicles for going to and from work in the cities. At a time when efforts are being made to encourage people to live outside the large urban and metropolitan areas, this lack of public transportation is a significant deterrent.

All rail passenger systems were discontinued in midwestern Ontario on November 1, 1970. This was done as a result of a decision by the railway transport committee of the Canadian Transport Commission under the authority of the National Transportation Act of 1967. Public hearings were held to review this measure in the spring of 1972, in London, Chatham, Stratford and Walkerton. It has been 2½ years since the public hearings were held and release of the report by the Standing Committee on Transport and Communications which recommended that the rail service for this area be reinstated. This recommendation of the Standing Committee on Transport and Communications was submitted to the Minister of Transport (Mr. Marchand) in a letter sent on April 3, 1974, to the Hon. E. J. Benson, president of the Canadian Transport Commission. The minister referred to expressions of concern by the public and members of parliament that public transport services in the region were inadequate, or in some cases non-existent. He requested that the commission, in co-operation with provincial authorities, undertake a review of the situation. At present the passenger rail service has not been reinstated.

Having spent thousands of dollars on public rail hearings in this area, and with the report of the Standing Committee on Transport and Communications recommending the reinstatement of rail service, why has this government done nothing to implement the recommendations or offer a viable alternative such as bus service? The Fifth Report and Review by the Canadian Council on Rural Development, dated December, 1973, and entitled "Commitment to Rural Canada" states, on page 13, under the heading "Rural Predicaments" that improvements in communication and transportation networks make accessibility easier and extend the size of the area served by

urban centres. Mr. Speaker, while the networks may be there, the total absence of public vehicles on these networks makes a mockery of the succeeding statement on page 21 that "the ultimate goal of development is, therefore, the improved well-being of the people."

I would like now to deal with three topics essentially of national concern but relatively ignored by our government save for paying them lip service. I refer to the problems of inflation, inadequacies in the field of medical research and, finally, the utter failure of the government to adopt policies designed to instil a sense of dignity, self-pride and self-respect into Canadians. Inasmuch as this is a budget debate, it would be only appropriate that I should refer to the problem of inflation. To be sure, the Minister of Finance (Mr. Turner), who is present in the House, referred to it several times in his budget address. Although physicians are sometimes acknowledged as being inept and lacking in business acumen, it takes very little expertise on my part to realize that what the Minister of Finance is offering this country serves only to fan the flames of inflation.

Even I can realize that year after year of deficit budgeting, with its concomitant expansion of the money supply and credit, can lead to nothing but uncontrolled inflation. And, of course, one does not have to read for very long either books on inflation or the daily newspapers to realize that world authorities on economic and fiscal policies are saying the same thing. But, Mr. Speaker, we have had a government for the last six years, and will for the next four years, that has found it can buy the votes of the Canadian people by offering them ever increasing give away programs by the single deceitful procedure of expanding the money supply. Sir, it is nothing short of reprehensible that this government should, for reasons of its lust for power, commit this travesty on the Canadian people.

Next, Mr. Speaker, I would like to discuss certain aspects of our health care system which I feel are deficient and which I believe our government finds it expedient to ignore. One could devote one's total time allotment to discussing problem areas in health care. By the same token, governments that promise the people "the best health care available" are simply ignoring costs for, as in education, the limits are infinite. Before making rash promises it would be prudent to try to determine what good health care really is, or, in short, how one measures the quality of health care.

This brings us to the question of medical research. The recent Liberal administration has been satisfied to adopt, once again, the politically expedient stance of giving or providing "free" health care to all Canadians. As mentioned when discussing inflation, more votes can be secured by offering the present expensive system of health care whereby, until lately, the prime focus has been on high-cost, hospital-centred care. To invest money in researching how to provide more effective health care and, more important still, how to measure the quality of health care is not something that is newsworthy or vote-catching.

Over the years government funds for medical research in Canada have gone almost entirely to furthering research in the basic sciences and clinical branches of medicine. And even in this area the amounts made available in Canada are pitifully small in proportion to what the USA and Scandinavian countries provide. Commendable as this type of research is, and acknowledging the contribution that has been made to a better understanding of the etiology and treatment of disease processes, we have completely overlooked the funding of operational research and how we can better put to use the clinical knowledge that is made available to us. In short, how does one measure the quality of medical care?

Medical associations have recognized this challenge as of paramount importance and have even made attempts to enter this difficult field of study, only to be stalled for lack of funding. Again I say, it is fine for governments to promise complete care from the womb to the tomb, and by so doing remove all responsibility from individual citizens most of whom could well provide for themselves at lesser cost; but where the problem is too great for individuals or even large associations to cope with, the government abdicates its responsibility to the people as in the question of how to assess the quality of health care. To illustrate how our present government views this whole matter I would refer to a working document published in April, 1974, entitled "A New Perspective on the Health of Canadians." The Minister of National Health and Welfare (Mr. Lalonde)—who is present in the House, I am pleased to say—has his name on the cover, as would an author, and, indeed, he has written the preface, or at least signed it. I went through 76 pages of this treatise looking for some reference to quality, and at the end of a 12-page chapter headed "Major Problem Areas in the Health Field" I finally found, in the second last word, the one and only reference to quality in the statement that we had to "ensure accessibility to quality service." There is no suggestion that we might have to research what quality service is, in fact. However, the same chapter discusses the health status of the population in terms of life expectancy, mortality rates, causes of death, morbidity, problems in the organization and delivery of health care and, finally, conflicting goals in the health care system—but no thought of how to measure the quality of health care. The following was even admitted:

● (1600)

> No such public demand exists for research and preventive measures. As a consequence, resources allocated for research, teaching and prevention are generally insufficient.

How is that for leadership, when a cabinet minister not only fails to recognize the existence of a problem, but even when he does he states that no funds would be available if there were no public demand. That same chapter discusses the problem of costs of personal health care, stating that for a family of four in 1971 the cost was about $1,100 and that "most of the costs were met by insurance." The minister knows that this is not entirely true, and that the majority of these costs are met by taxes and not insurance.

Nor can I fail to observe, in the same chapter, the statement that "what is really needed is a measure of the prevalence of ill-health in the population." The College of Family Physicians of Canada, with whom I have been closely associated for many years, has repeatedly been turned down by this government when we have sought funds for the establishment of an illness observation unit designed to collect and measure the very information the

minister said is needed. Finally, Mr. Speaker, as a family physician and general practitioner whose numbers represent slightly over 50 per cent of practising physicians, much could be said about the problems which they face. However, since I have been discussing the problems of medical research I would be remiss if I neglected a major problem affecting this important and rapidly growing group of doctors.

Traditionally, medical research has been done at university centres under the aegis of a principal investigator who is normally a salaried member of that institution. But we have now entered a new era where medical teaching and medical research, particularly in the field of family medicine, must increasingly be done by private physicians out in the real, live world of general practice. Again, the government is dragging its heels by failing to recognize that physicians out in practice have to sacrifice income and earning power in order to devote time to operational research and morbidity studies. Unlike the university-centred principal investigator, these physicians must be remunerated for time spent on research. Once again, it is the people of Canada who suffer in the long run due to the failure of this Liberal administration to adjust to changing times.

Finally, Mr. Speaker, time does not permit me to deal adequately with the more philosophical yet very real problem of how our government is gnawing away at and destroying the very fibre of our Canadian citizens. The budget which we are debating serves only to aggravate this insidious process of decay of human worth and self-respect by paying people for doing nothing, instead of using the money to reward them for doing productive work. The October, 1974, letter of the Royal Bank of Canada states:

> Government is an art to be learned, like medicine or engineering or law, or any other profession, and not merely an office to be won.

This government may have won the office but it is still groping for the art.

[*Translation*]

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): Mr. Speaker, I would like to take this opportunity to congratulate you as well as the Deputy Speaker and Chairman of Committees of the Whole (Mr. Laniel), the Deputy Chairman of the Committees of the Whole (Mr. Penner) and the Assistant Deputy Chairman of the Committees of the Whole (Mrs. Morin). I am sure you will justify your reputation of earnestness and impartiality while acquitting yourself of this task which is so burdensome these days when you must preside over the discussions of a Parliament housing the representatives of four different political parties.

Even if the budget presented by the hon. Minister of Finance (Mr. Turner) did not generate unanimous enthusiasm, it did seem to please the majority of the members in this House and, I think, most other Canadians as well as it provides for a number of positive policies aimed at fighting against Canada's present number one problem which is inflation.

In 1973-74 we tried more or less successfully to fight inflation and unemployment. Of course, the economic position of the United States did not help us as everyone knows that our own economy is closely involved with that of our neighbours. However, I think that this budget speech contains certain measures which can give more independence to Canada and will allow us to overcome this problem of inflation.

Certain budget policies are interesting especially concerning the following subjects: suggestions concerning resource taxation, adjustments to the equalization payments system, provisions to stimulate housing, support for investment, important decreases in personal income tax and, finally, savings protection.

Some other provisions included in last May's budget have been added, to wit: taxes or exemptions in certain fields, stronger stimulants for small industry, improved registered retirement savings plans, new legislation for the reorganization of companies and finally provisions to reduce custom duties.

With regard to some of the proposals, I should like the Minister of Transport (Mr. Marchand) to give us more details on how he intends to set up the merchant marine which was mentioned briefly in the Speech from the Throne.

● (1610)

Does he intend to set up a department, a commission or an independent body to do so? As for me, Mr. Speaker, I feel that a department in charge of the merchant marine, as well as of all matters pertaining to transportation by water, would be ideal, considering some of the criticism the Department of Transport has been subjected to; it is a huge department, composed of several divisions. I feel that solution would free, not only the Minister of Transport from part of his responsibilities, but also the administrative mechanism of that department.

Having said this, I wish to congratulate warmly the Minister of Transport for his tenacity throughout the years in wanting to give us a merchant marine. As a matter of fact, he fought for that idea even when he was in the CNTU and since then, he has kept on believing in it and doing everything possible to achieve it. Progress in that direction is now encouraging, but does the minister know when it can become a reality?

That is an area from which our country has been absent for many years, although Canada ranks among the most important trading nations in the world. The benefits which would result for our economy would be many, in view of the increasing amount of products such as grains, oil, ores, coal, lumber and a great many other commodities which Canada must export.

It is difficult to accept that Canadian ships or ships under Canadian flags are nearly absent from this area. In my opinion, this is a matter of important national prestige. I was very glad to hear this mentioned in the budget speech, and I dare hope that the money that will result from the new tax on natural resources will help equip Canada with a merchant marine, thereby allowing our own people to transport our own resources aboard our own ships.

Another matter closely related to shipping has to do with shipyards. Our last program, known as STAP, that is the Shipbuilding Temporary Assistance Program, has en-

abled the ones we have to build over thirty ships for foreign owners, while gaining valuable experience in the construction of heavy tonnage units and developing new building methods.

I think that the government would be well advised to keep this program and enlarge its scope so that it may be applied to shipowners who could benefit from it either by increasing or streamlining their present fleet. I do hope that the departments concerned will take the necessary measures to assure the survival and the maintenance of that fleet. This program is to expire on March 31, 1975.

Always with regard to shipyards, my riding at Lévis has one very well known all over our country if not all over the world. In the past few years, at least four departments have been preparing a study for a report on the feasibility of building a giant dry dock in the Lauzon shipyards. I am eager to know when that report will be tabled. As far as coastal traffic is concerned, I note with utmost satisfaction that several of the points I made in my budget speech last year did materialize.

At that time I also drew attention to the pension fund for CN workers. Some commendable improvements were brought to the pension plan for retired CN employees, but I think the basic problem has not yet been solved, namely pension rates for retiring employees. CN employees are now wondering why, as employees of a Crown corporation, they are not being treated exactly like employees from other corporations under federal jurisdiction.

I believe their demand is reasonable, and I think their pensions should be geared to the cost of living.

Another problem inherent in inflation is that of agriculture, and especially farmers. I have no need to emphasize the very serious situation of egg, grain, and beef producers, and even sugar producers now, since all that is being accurately reported on by mass media.

The government also admits to that emergency situation. Therefore, I would like to see measures developed rapidly to prevent those disasters which we will necessarily head for if we do not take immediate action. The government should act more quickly in respect of food products and especially sugar.

What is the Minister of Agriculture (Mr. Whelan) waiting for to make a statement on those measures and programs for helping farmers produce more sugar beet? Besides, the Minister of Industry, Trade and Commerce (Mr. Gillespie) should enter as soon as possible into international agreements with sugar producing countries and of course try to get the fairest, that is the cheapest prices.

Incidently, I would like to make a few comments on the Plumptre Board. The Plumptre Board has no powers but an informative role, or at least that of a watchdog, if one looks at what happened last month in the Ottawa area. We know that the Plumptre Board made a survey during over five weeks going from store to store, checking prices, publishing price differentials. Fortunately, because the Plumptre Board was there, last month's statistics prove that only the Ottawa area did not register higher food prices. For that reason I welcome the work of the Plumptre Board.

As I said in my opening remarks I will not praise indefinitely the Plumptre Board because I know it has no power but at least until we take further steps it continues to play the role of watchdog it plays so well at present.

Another suggestion comes from the farmers themselves. Recently Quebec farmers at a convention asked the federal government to intervene directly into the beef problem. It replied that the matter came under provincial rather than federal jurisdiction. I confess this is true but it is also true that we were elected to this House by the people of this country and it is our duty to help them when they ask us to do so.

When he next meets with his provincial counterparts, will the Minister of Agriculture consider setting up an agreement scheme providing for special intervention by the federal government when the people of this country ask for it and when situations such as those we faced and we now face call for it? Mr. Speaker, the people of this country need to be reassured, and I sincerely hope that this Parliament will take the necessary steps to ensure more stability in our economy.

Mr. Speaker, this is my first speech since the election of July last, and I want to thank the voters of the riding of Lévis who elected me for a fifth consecutive time and put their confidence in me so I would vindicate first their interests and contribute with my colleagues to passing legislation guaranteeing them more justice and a happier life. I want to assure them that I will do everything in my power not to betray their confidence.

[*English*]

Mr. Derek Blackburn (Brant): Mr. Speaker, for those of us who sit on this side of the House it is always a challenge to participate in a budget debate because in my view Liberal budgets are almost always deceptively misleading at first glance. This budget is certainly no exception. Not only is it deceptive but it is, in my judgment, misleading. Moreover, it is based on highly questionable assumptions with respect to the predicted rate of growth of the economy and the export outlook of our durable goods. But most significant of all is that at a time when Canadians on low and fixed incomes are not making ends meet, and when Canadians in the middle-income bracket are bearing an increasingly burdensome share of taxation, there will be neither relief from inflation nor any meaningful relief from taxation.

Indeed, Mr. Speaker, this budget is one of the most regressive budgets we have seen in the past six years. It harks back to the days before the Carter commission on taxation. It is a piece of classical nineteenth century Liberalism. It is a budget for the wealthy, for the big corporations, for the foreigners who own and control our resource industries. It is a budget for the big investors. This is not a budget for the hundreds of thousands of ordinary Canadians, many of whom supported the Liberals last July hoping that the Liberal Party would finally come to grips with the spiralling cost of living, high unemployment and the growing dissillusionment in general with respect to politics, politicians and governments.

When fully appreciated by the Canadian people, this budget will serve only to heighten their suspicions that government in Ottawa today is no longer responsive to their basic needs; that it no longer cares about decent housing at reasonable prices; that it no longer cares if

ordinary Canadians are paying over 75 per cent of their incomes in taxes, food and accommodation; that it no longer cares about the widening gap between those who have wealth and power and those who have neither. In short, Mr. Speaker, this budget will do nothing to redistribute more equitably and more humanely the great wealth of this nation. In reading the budget one gets the impression that the mandarins in the Department of Finance have not changed their philosophy since the grand old days of the Manchester School. Joseph Chamberlain would have been proud of this budget. What a short way in economic philosophy we have come in one hundred years!

● (1620)

I am sure, Mr. Speaker, that hardly a day goes by that members on both sides of this House do not receive letters from their constituents asking why building lots which sold for $8,000 two years ago now sell for $17,000; why basic food staples such as bread, milk, meat and vegetables have nearly doubled in price in the same period of time; why mortgage interest rates have priced the average home buyer out of the market; why bank interest rates, even backed by collateral, have soared to 18 per cent. The list could be extended, but suffice it to say that Canadians across this country are growing angrier by the day as they see their real income falling behind at the same time as their suspicions of price gouging and profiteering are increasing. It is this deplorable situation that is dividing our nation and leading to social tension and mistrust. And this budget has done nothing to allay our people's fears, suspicions and frustrations.

If we cannot learn from our own mistakes, Mr. Speaker, why cannot we learn from the mistakes of other countries such as the United States where division between rich and poor has been the major cause of violence and social upheaval? I hope that some day the Liberal Party will abandon its old-fashioned posturing and face up to the realities of the latter half of the twentieth century. Let us look at some important aspects of the budget as they affect ordinary Canadians. The Minister of Finance (Mr. Turner) said that "continued attention must be given to mitigating the effects of inflation on the more vulnerable members of our society". Just what attention has he in fact given? The government is going to give $500 to every Canadian who is buying his first home. This was a great election gimmick. But how many will be able to take advantage of this "gift"? In the first place, the house must be a new house. In the second place, the cost of the house must fall under a certain ceiling, which in my constituency of Brant is about $34,900; but in the city of Brantford, in which I live, it is impossible to purchase a new house for less than $38,000 or $40,000. So much for that "gift".

Has the government done anything about the exorbitant interest rates home buyers must pay even if they can afford the down payment? The answer is, of course, no. But the government is prepared to allow trust companies and other mortgage firms to borrow more money for mortgages, even though there has been no evidence whatsoever that, over the past three years, as more mortgage money became available interest rates went down. The opposite was the case. This is why most Canadians cannot buy a house today, Mr. Speaker. They simply cannot afford the carrying charges. Their monthly budgets will not permit it, and they cannot just print their own money. The budget did state that the government will allow Canadians to save $1,000 a year up to ten years, for a total of $10,000, and deduct this from their taxes. But how many Canadians can afford to save $1,000 a year? Again, very few; and certainly not those on low or fixed incomes—certainly not the very Canadians who so desperately need better housing.

There is little indication in this budget that the federal government is prepared to push its land assembly scheme of which it was so proud a couple of years ago; it is simply dragging its feet. But the government is not dragging its feet when it comes to the wealthy real estate investor. Lawyers, doctors and wealthy businessmen will now be able to form syndicates for the purpose of building large luxury apartment buildings, because they are now to be given a 100 per cent capital cost allowance write-off against all other forms of income if they invest in rental accommodation. What a fantastic new tax haven for the rich! We in the New Democratic Party believe that decent housing in a country such as Canada should be the right of everyone. The only way this will ever come about is by greater government intervention in and control over housing, not by giving tax hand-outs to the wealthy. We have seen far too much of this in the past. And because the private sector controls the housing industry, we have seen residential building lots double and even triple in price in the past four years.

The Minister of Finance has announced that the federal sales tax on building materials would be reduced from 11 per cent to 5 per cent. Again, at first glance this may look like an effective means of lowering the cost of housing. Indeed, for a short period of time the advantage here may be passed on to the home buyer. But in fact, whenever hidden federal sales taxes have been eliminated or reduced in the past, prices have mysteriously climbed back up again. Look at the price of footwear and clothing for children. This sales tax reduction will ultimately benefit, not the home purchase but the large developer, the guy who has had it so "rough" during the past three or four years. So, Mr. Speaker, in the field of housing for those who most need it, this budget is a farce. It is worse than that; it is contemptible.

I would now like to turn my attention to the "fantastic tax breaks" that ordinary Canadians are going to get from this budget to "mitigate the effects of inflation", as the Minister of Finance so benevolently put it in his budget address. In the first place, those whose incomes are so low that they do not pay income taxes get no breaks in the budget, because this budget is not in any way designed to curb inflation. They will continue to suffer the ravages of inflation without any mitigation whatsoever. Again there is the deception I referred to earlier, Mr. Speaker.

But what about those Canadians who are on low and middle incomes and do pay taxes? Under existing law, taxpayers are entitled to reduce their federal tax liability by 5 per cent, with a minimum tax credit of $100 and a maximum of $500. This budget will increase the minimum by the paltry sum of $50, and the maximum by $250. So the guy at the lower end of the pay scale gets a tax break, to fight inflation, of 97 cents a week, when in fact his pur-

chasing power declined by nearly $6 a week during the past year alone. The Minister of Finance, in granting this "fantastic tax break", has the unmitigated gall to ask working men and women to exercise restraint at the bargaining tables this year. What deception!

However, if your income happens to be around $30,000 a year, you can claim a tax credit of $750. It is this, Mr. Speaker, that makes this budget to regressive, so unfair and so oriented toward the wealthy in our society. I ask, how can a struggling family in Canada today fight inflation with a tax reduction of less than a dollar a week? The price of food and rents is going up; houses are beyond the reach of not only the poor but the middle income earners. Yet the Minister of Finance says his budget will "mitigate the effects of inflation". That is so much rubbish. In virtually every situation since the Second World War, wage increases have come after the effects of inflation have reduced the purchasing power of working people. No reputable economist has suggested that the latest round of price increases has been caused by pressure from wage demands.

Is it any wonder that thousands upon thousands of Canadian workers, men and women, are becoming deeply frustrated with the present spiralling cost of living? No one in his right mind would opt for wage restraint when he has lost nearly $6 in real wages per week and the government gives him back less than a dollar a week to fight inflation. A great deal of the labour unrest in Canada today is due to the fact that Canadian workers have lost faith in their governments to protect them against the devastating effects of inflation, with no end in sight. In his budget speech, the Minister of Finance stated that "we have to find a better way of reconciling competing interests of the various groups which make up our society". No one can argue against that. Yet statistics show that wages and salaries, as a proportion of the gross national product, have been falling steadily since 1971. In 1972, wages and salaries made up 55 per cent of the GNP; by the fourth quarter of 1973 this figure had fallen to 53.2 per cent. Meanwhile, corporate profits have been going up from 9.6 per cent of the GNP in 1971 to 13.7 per cent in the last quarter of 1973.

In his budget, Mr. Speaker, let us see how the Minister of Finance responded to this situation. First of all, he has extended indefinitely the two year rapid write-off for the purchase of machinery and equipment by manufacturing and processing companies. This extension is based on the questionable assumption that the GNP will continue at about 4 per cent when in fact the OECD, a more accurate forecaster than the Minister of Finance, predicts that the real growth of our economy could fall to 1 per cent.

● (1630)

Secondly, the minister's reaction to the wishes of the private sector is based on the other faulty assumption that Canada's trade will remain strong. Canada exports 60 per cent of her goods to the United States. That country is now in a recession, with no sign of improvement in sight. If we cannot sell our products to the United States—and there is already a decline—what good is the rapid write-off? I also strongly suspect that the Minister of Finance's thrust toward deficit financing is not so much to buoy up our economy but is, more precisely, to pay for the unemployment that is bound to increase as our volume of trade with the United States continues to decline. I suppose we will just have to wait to see what taxpayers across the country, generally speaking, will have to pay for unemployment insurance benefits in 1975.

This budget, Mr. Speaker, also has seriously reversed the government's earlier decision to create a greater public presence in our resource industries not only in terms of investment but in terms of important decision-making. Now the emphasis has been shifted back to the private sector, to those "poor, destitute" companies like Exxon, Shell, Texaco, BP and so on, whose profits have been soaring as the retail price for gasoline and home heating fuel has soared. In fact, within a year we may well be paying over $1 for a gallon of gasoline. As the Minister of Finance has implied, the primacy of the private sector in the resource field is reaffirmed. This is a serious, retrograde step.

Unless Canadians, through their elected governments, gain greater control over their natural, non-renewable resources, we will be a have-not nation within a generation. Why, then, I ask, is the federal government bent on lowering the tax rate on petroleum products from 30 per cent in 1974 to 28 per cent in 1975 and to 25 per cent in 1976? And why the 100 per cent write-off of exploration expenses? These measures will put hundreds of millions of dollars in the corporations' hands, only to be stacked up with other little goodies like tax deferments. Again I repeat, this is a rich man's budget; it is a corporate budget; it is not a people's budget.

Here we have a situation where the Minister of Finance says we must lessen the burden of inflation on those most vulnerable, yet does nothing for the most vulnerable. He reaffirms his faith in the rich, powerful, corporate elite by giving them even bigger hand-outs and tax concessions, and does nothing to place our depleting natural resources in the hands of responsible, democratically elected legislators. At the same time, no doubt to protect himself later, the Minister of Finance admitted that not only would food costs remain high but they would probably go even higher in the coming year.

We in the NDP presented a policy during the last election campaign—a policy I admit the people of Canada did not accept—to establish a prices review board with power to investigate suspicious increases in prices and to roll back those increases if they were clearly unwarranted. We still demand this as the only safeguard for the average Canadian against price gouging and profiteering. But with four years of majority government ahead of us, I doubt whether this will ever become government policy. In the meantime, Canadians will continue to pay more and workers, organized and not organized, will not only bear the brunt of this tragic situation but they will continue to be unfairly and unjustifiably blamed for it.

I would like to turn my attention to our senior citizens. As of October 1, a single pensioner receiving the maximum old age security and the guaranteed income supplement was receiving just over $200 a month. The average rent for a one-bedroom apartment in the city of Brantford, where I live, is between $160 and $170 a month. Though there are a few very fine senior citizens' public housing developments in Canada, they total only 67,000 units. In Canada there

are about two million senior citizens. What did the budget have for these two million Canadians? Sixty per cent of these people will derive no benefit at all from the budget because they are receiving the guaranteed income supplement. For those whose incomes prevent them from getting additional assistance because of private pension schemes, there is a benefit. For this I am personally pleased, because now they will be tax exempt up to $1,000 a year on income from private pensions. But, I repeat, the majority will get no benefits whatever, not even an increase in the basic OAS.

It is also worthy to note, Mr. Speaker, though tragic, that there is nothing in this budget to assist the native peoples of Canada. Once again they have been totally ignored. Some time ago I asked the Minister of Finance if he would grant a tax concession to retired Indian teachers who had taught in Indian schools on reserves all their lives. When they were working they did not have to pay income tax because of the Indian Act. Now that they have retired they find they have to pay income tax on their superannuation, yet the source of income is the same—the federal government. In view of the fact that both their salary and superannuation are considerably lower than those who teach or have taught off reserves, I asked the Minister of Finance if he would eliminate this tax on superannuation. He passed my representation on to the Minister of National Revenue (Mr. Basford) whose executive assistant sloughed it off with departmental jargon showing lack of both sense and compassion. I intend to pursue this issue further.

Mr. Speaker, my time is running out, if it has not already, but 20 minutes is not enough time to attack a phony, misleading budget. In conclusion, I have searched in vain for the answer to the question, what has this budget done for the average Canadian? Is there anything in it of substance to effectively cure the monster which is gobbling up everyone's savings, driving up the cost of living and provoking conflict between unions and management? No doubt those who do not have will be the payers for those who do. As I have pointed out, the only persons who got a break on November 18 are the wealthy, and the corporations; and by no stretch of the imagination can anyone say that prior to the budget they were the most vulnerable members of our society. This budget is so out of tune with the economic realities of today that I predict we will see another budget within six months. But I am not holding my breath; we will probably just get another replay.

[*Translation*]

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, I am especially glad to take part in the debate on the budget.

We have two opportunities each year to express our personal opinions on subjects which are important to us. Today, I would like to tell you about my opinions and make a few remarks on a very current subject and certainly one of the foremost problems of our time—that world poverty and particularly starvation.

Mr. Speaker, I would have liked to tell the House about the social economic problems of the area and the constituency which I am privileged to represent. However, during the debates on bills to be brought forward during this Parliament, I will have other opportunities to talk about this and to describe the economic situation in my constituency where economic readjustment remains slow.

The subject about which I shall talk today is much more general and much more far reaching, but it still concerns the people of my area. It is the problem of poverty and hunger in general.

The measures announced by the hon. Minister of Finance (Mr. Turner) in his budget speech are extremely important for the Canadian economy and we shall have other opportunities to discuss them. However, Mr. Speaker, I was extremely glad to note the remarks of the Minister of Finance when he said, and I quote:

> Our countries, including Canada, must review their foreign aid programs in the light of . . .

—the present situation.

> Canada must, at the minimum, help these people meet the most urgent and basic need of their people—food.

The minister also stated: We also intend to expand all our contributions to developing countries capable of increasing their own food production.

> These are moral commitments. We intend to fulfill them.

Mr. Speaker, I had the privilege and the honour to be a member of the Canadian delegation to the world food conference held in Rome from November 3 to 17 and I thought it might be interesting to tell my colleagues in this House about some of the comments that were made recently at the conference and generally outline the international food situation as described at the conference as well as the Canadian position assumed at Rome and the possibility of substantially increasing our aid to developing countries.

For a dozen years certain international agencies, especially the World Health Organization and the Food and Agriculture Organization, have been warning the world about the possibility of a food shortage and giving ways and means to avoid the crisis now confronting us on a world scale. What has brought us to this point? Whatever the reason, said United Nations Secretary General Kurt Waldheim at the beginning of the conference, the crisis is facing us and we therefore must act now.

It is paradoxical, Mr. Speaker, that the present world food shortage, accompanied by malnutrition, which has never been so widespread, should happen at a time when the potential of technological progress is taking on unprecedented proportions.

When the FAO launched an invitation to all the countries of the world for a world food conference, everyone was asked at the start to present concrete provisions and to suggest immediate solutions to the extremely urgent problem of hunger in many areas of the Third World.

In many ways, and especially as to concrete provisions, one could say that the Rome conference was half a success.

On the other hand, the fact of having brought to the attention of the world the main ingredients of this complex problem of hunger and thus revealing the alarming proportions of the situation is sufficient evidence that the Rome conference was a success.

How is it that the food problem, the problem millions of people face to feed themselves, and the malnutrition prob-

lem should have suddenly appeared at this particular moment?

In his opening address to the World Food Conference on November 5, the Secretary General of United Nations stated:

> The situation is indeed critical. World food production which had shown a disastrous decline in 1972 has reached levels which in the historical perspective may be reasonably high, but have never allowed to a security margin nor to meet the spiralling demand . . . From now on, to alleviate, the difficulties of the world strategic reserve, we can only rely on about 25 million hectares of tillable land unused in the land banks of the United States.

The Conference held in Rome has provided most of the delegation with the opportunity to state openly their policy with regard to the serious food problem. In one of the most noted statements during the Rome Conference, the Honourable General Carlos Romulo

● (1640)

[*English*]

—Secretary of Foreign Affairs of the Republic of the Philippines and chairman of the Philippine delegation to the UN food conference, in a speech entitled "What went wrong?" said:

> I dare suggest to my fellow delegates from developing countries that there must be something wrong with our development plans, something wrong with our objectives and priorities, something terribly and disastrously wrong, when 25 or even 30 years of independence and development have only led us to this sorry pass, to this crisis—and I know it is an overused word, but I can find no real equivalent—to this crisis of world hunger.
>
> What went wrong? Where did we take the wrong turning? I am aware, deeply aware, of the aspirations and expectations of our peoples, or—more accurately—of their leaders and planners and decision-makers. After centuries of colonial exploitation, of producing raw materials for the industries of the metropolis, of being captive markets for its manufactures, of being "hewers of wood and drawers of water", we were driven by the desire, by the urgent political need, to develop our own economies, to be economically independent, to give employment to the landless workers crowding into our new cities, to mean something in the world, to be respected and taken into account, to find our "place in the sun".
>
> Surely, this was not wrong. Surely this was a legitimate objective, a legitimate aspiration.
>
> What was wrong, what went wrong, I dare suggest to my colleagues from developing countries, was our understanding and appreciation of priorities and of the economic and social, and by that token also the political realities.
>
> The question, the hard question, the unavoidable question, we must now ask ourselves is this. What is the purpose, what is the use, of brand-new factories, or even of a nuclear device, when millions of our people do not have enough to eat? When an unacceptable proportion of our children die before leaving infancy? When those who survive are stunted physically and mentally? What price, then, a nuclear bomb or the missile to carry it across the globe?

[*Translation*]

Similar remarks, Mr. Speaker, have been made by many heads of delegation in respect of developing countries themselves. Some reproaches have been directed to the developing countries for the exercise percentage of their gross national product earmarked yearly for national defence.

Some delegations have also pointed out the fact that several developing countries accept to make investments sometimes somptuous but of little importance for the basic development of their social and economic potential. Several reproaches may certainly be directed to the developing countries. But the same is true, Mr. Speaker, for the developed countries, and in this respect, I think the latter have a major responsibility to shoulder for the present world food crisis.

Most of the developed countries' delegations at the Rome Conference have been disappointed, and this in many respects. Everyone thought that the developed countries represented at the Rome Conference would make concrete propositions and contribute a substantial aid for the difficult food problem which is rampant in many parts of the world. For many countries faced with serious food problems, it has been a great disappointment. We can say, Mr. Speaker, that amongst all the countries which have sent a delegation at the Rome Conference, Canada has certainly been one of the countries whose propositions have been best received, not only by the developing countries but also by the developed countries which have appreciated the Canadian position as a firm, sensible and realistic one.

Everybody agrees that Canada has an enormous food potential. Moreover, agriculture, not only in developing countries, but also in developed countries, is presently under-going huge difficulties. A great variety of factors explain why the agricultural sector now has to face extremely intricate problems.

Millions of people in several countries of the world not only do not eat their fill, but are positively starving. Only a short time ago, the FAO stated in one of its publications that 10 to 15 million people died directly or indirectly from starvation or malnutrition every year. Several countries had agricultural and food surpluses, possibly not this year, but just a few years ago. Many countries voluntarily slowed down agricultural production, and also destroyed food stocks. Considering the rise in oil costs and its incidence on the increased cost of fertilizers, and considering that political leaders of many countries in the world find it extremely difficult to deal in a positive and definite way with that huge problem, may I say, Mr. Speaker, that the contribution of rich countries in the Rome conference was so scanty that we might regard as somehow shameful the parsimonious commitment of rich countries to those countries to which they are so much indebted.

We all know the advantage taken by several countries, purposely or unvoluntarily, of the huge differences in rates of change and of an all too often unfair trade situation.

Canada had a prominent role in that conference, and our Minister for External Affairs (Mr. MacEachen) indeed made a key speech in the Congress House. The Secretary of State for External Affairs stated in his speech and I quote:

> We in Canada will not shirk these responsibilities, and are willing to play our part in furthering those common endeavours which bear promise of helping to produce a lasting freedom from want for all mankind—but the endeavours will remain barren if they are not truly common and truly sustained.

A little further on, the minister said:

> We are now carefully re-examining the skills and resources that may exist in Canada suitable for assisting the development of new agriculture and fisheries capacity in developing countries to determine practical ways of making them readily available. We therefore intend to have a matching response for countries who set about energetically to

mobilize their internal food production resources and who give a high development priority to efficient food production.

In a more encompassing perspective, the minister stated:

● (1650)

[*English*]

—mankind has no choice but to arrange his feeding in harmony with a balanced use of all the earth's resources, or his civilisation will go the way of those of Nineveh and Babylon—which destroyed the soils that fed them.

[*Translation*]

There are several ways, Mr. Speaker, to change the present food situation in several countries of the world. There is, of course, food assistance and plain help to developing countries, which must be considerably increased. In many countries, there is a lot of waste that must absolutely be prevented. Sacrifices must be made by some nations if they want to put an end to hunger. As regards our country, people must be made aware of the problems of poverty in general and of nutrition in the third world in particular. This awakening must be done not only by the decision makers, but also at the whole population level. Here, Mr. Speaker, non-governmental agencies can play a major role. Mention must also be made of the important part these agencies played at the Rome conference. I am convinced that they will pursue their awareness campaign throughout the country. In our efforts to try and change the situation in which several countries now find themselves, we should not forget the farmer. I was very pleased to see that the hon. Minister of Agriculture (Mr. Whelan) took the responsibility of pointing out to the delegates to the Rome conference, and particularly in the commissions, that the farmer was indeed the basic element of a reform which would make it possible for the developing countries to expand considerably their food potential. I must say, Mr. Speaker, that the hon. Minister of Agriculture of Canada was highly praised by several delegates to the Conference because of what he said and because he took the defence of the agricultural class. Two suggestions were made at the Conference in order to remove hunder in the world which are worth being pointed out. Mr. Romulo, whom I quoted earlier, stated:

[*English*]

Let me sum it up briefly. There is no substitute for food. You can have your factories, as many as you want; mills and markets, foreign exchange reserves, golf, oil, special drawing rights, whatever your economists and financial experts can think of and demand; but if your people do not have enough to eat, if they do not grow enough food to feed themselves, you are in trouble, deep trouble, you are in crisis.

An economic crisis, a political crisis, a moral crisis, and in the long run nobody can bail you out of it except yourselves.

[*Translation*]

Mr. Speaker, a similar statement was made by the chief of the Chinese delegation, who reminded the developing countries that they should no longer depend on wealthy countries, given their selfishness, and that from now on they should depend on their own resources only.

Although these statements are certainly commendable, for they offer, in the long run an ideal solution to our problems, the fact is that this solution is not possible in the short run.

Mr. Speaker, as regards development assistance, Canada can be a leader. One of our great diplomats, Mr. Maurice Strong, said a few years ago:

[*English*]

There are three overriding influences determining our age, one is the space race, one the nuclear arms race and the third the development race; Canada has no role to play in the first two, but in the one of the developing countries we can be a major power. We know what development means because we've done it here ourselves.

[*Translation*]

Mr. Speaker, during the two weeks of debates and discussions of the Rome Conference, one of the most remarkable contributions which I had the privilege to listen to was not made at the Palace of the Congress where the conference was held, but during the audience which Pope Paul VI granted the Conference delegates in the St. Peter Basilica in Rome. Here are some excerpts which I found particularly interesting:

This crisis appears mainly as a crisis of civilization and solidarity. A crisis of civilization and method which appears when the development of life within a society is seen from a unilateral point of view, when considering only the type of society which results in an industrialized civilization, that is to say, when putting excessive trust in the automatism of purely technical solutions and forgetting basic human values. A crisis which appears when the search for economic success only resulting from major profits in industry intensifies, thereby causing the nearly complete abandonment of the sector of agriculture and the accompanying neglect of its highest human and spiritual values. Also, a crisis of solidarity which maintains and sometimes accelerates the disparities between individuals, groups and nations, and which unfortunately results—as it is increasingly obvious—from the insufficient will to contribute to a better sharing of available resources, especially with underdeveloped countries and with human sectors which are still living under an essentially primitive type of agriculture.

We are therefore faced with the paradox of the present situation: Mankind has an unequal power over the universe; it possesses tools by which full productivity can be obtained from its very resources.

Will the very people who hold those instruments remain struck with paralysis in the face of the absurdity of a situation in which the wealth of a few would tolerate the persistent misery of too large a number, in which the highly enriched and diversified food consumption of a few nations would be content with the vital minimum granted all the others, in which human intelligence could alter the fate of so many gravely ill and yet would shirk the task of ensuring adequate food to the most vulnerable peoples of humanity?

Should it come to that, grave errors in orientation will have been committed, though perhaps at times only through neglect or omission. It is high time to discover how the mechanisms have been warped, that the situation might be rectified or rather set upright from end to end.

And finally, the Pope added:

[*English*]

To you who are engaged in a task at once so difficult yet so rich in promise, we put forward two principles to guide your work: on the one hand, to face up to the data of the problem without allowing yourselves to become bewildered in your evaluation of them through panic or through excessive timidity; and on the other hand to feel yourselves sufficiently stimulated by the absolute urgency and priority of the needs in question so that you will not be satisfied in any single case by delays or by half measures. This conference will not resolve everything on its own; it is not in its nature to do so. However, through the clarity and energy of its conclusions it will give the impetus to a series of effective and sincerely accepted commitments; or contrary to the expectations placed in it and in spite of the goodwill of its members, it will have been held in vain.

● (1700)

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I think one should try to assess why the Minister of Finance (Mr. Turner) is unique in not having been subjected to more criticism during his tenure as finance minister in this government. Anyone reading the budget speech will learn the answer, I suggest. The minister is unique because he has discovered that if you want to keep out of trouble, you must do nothing. Anyone examining the minister's record will see that it is a record of drifting. It has been his policy that this country should drift aimlessly in its dealings on the world market, in its approach to modern economics, in allowing inflation to take its course and in allowing other economic pressures to take their course. He has done little to control the inflation ravaging this country.

When one deals in billions of dollars it is easy to lose perspective. Therefore, I think it is wise to look at what has been happening in this country in the last ten years. According to current estimates before the House, the government plans to spend in the current year almost $26 billion, compared with slightly under $10 billion which the government spent in the year before the present Liberal government assumed power. Total government spending in the 1974 fiscal year was slightly under $20 billion; this year it is to be slightly under $26 billion. It is to spend 30 per cent more in one year. Or, putting it another way, the government is to increase its spending at the federal level, in one year, by an amount equal to the total federal budget of the early 1960's. It is time members of the House asked for this trend to be arrested.

I was disappointed in the statement the Minister of Finance made on CTV. He said he would attempt to hold spending this year down to a 15 per cent increase and then he said, as reported in the newspapers:

> Now it's intensely difficult in the political process to hold these expenditures down.

Why is it so intensely difficult for the government of Canada to do what is prudent and hold expenses down, when virtually all other nations are trying to do that and are succeeding? The United States intends to hold its budget this coming year down to $300 billion. If our minister were, say, minister of finance in the United States he would increase that country's spending to $345 billion. They would spend $45 billion more than they intend to spend this year.

The actual situation is more alarming, Mr. Speaker. Estimated government spending in the current year, that is, the 1975-76 fiscal year, will run, according to the appendix to the budget speech, at $28,750 million. But there is a footnote which says that this is a mid-point range; in other words, expenditures could go up to $30 billion just as easily as they could go down to $27 billion. That is significant. If you add 15 per cent to the minimum of $26 billion the government estimates it will spend in the current year, you will add slightly under $4 billion and the total will be slightly under $30 billion. I suggest that if the Minister of Finance has been completely candid he would have admitted that the government intends to spend $30 billion in the current year, and not the more modest figure he mentioned on budget night. The formula can be expressed another way: the government has been spending at the rate of a 40 per cent cumulative increase per year at the federal level. How can we arouse the Canadian public to the dangers entailed by this spending spree being indulged in by Ottawa?

I wish to deal with specific items in the budget. Two particularly distressing points should be mentioned. The first is the government's persistent attitude concerning the taxation of resources. It is particularly unfortunate that the government has chosen to confront the provinces on the question of resource revenue sharing. The Minister of Finance, supported by the Prime Minister (Mr. Trudeau), has indicated that royalties paid to provinces with respect to oil and other resources are no longer to be deductible from income for purposes of income tax. The government's attitude on the payment of royalties to provinces is strange. The Minister of Finance confirmed yesterday evening that royalties payable to foreign governments can still be deducted from income before the federal income tax is computed.

What is the difference? Let me give an example. If a Canadian company is taking oil from Venezuela, it must pay approximately $2.28 per barrel in royalties and pay a profits tax of $6.31, for a total payment to the government of Venezuela of $8.59. Under existing Canadian law, both the royalty and the tax paid to the government of Venezuela can be considered as a business expense and may be deducted from income before calculating Canadian federal income tax.

But if the same company proposes to take oil from, say, Alberta, what happens? The royalty payable to Alberta is $2.62 per barrel. But the government says, "No, you cannot consider that royalty as an expense; you cannot deduct it from income in computing income tax." The company must pay 34 cents per barrel more in royalty to Alberta. I ask, how is the Minister of Finance justified in saying, "In no way will the royalty you pay to the province of Alberta be deductible as a business expense"? I believe this House deserves an explanation from the government. Why is this policy being followed? We need an explanation for the government's strangely changed attitude to oil taken out of the ground in this country.

I point out that while the Americans are striving to change their position from one of dependency on foreign oil to one of self-sufficiency, Canada appears to be drifting from a position of self-sufficiency to one of foreign dependency on oil. President Ford hopes to lead the United States to self-sufficiency in oil production by 1980. The Prime Minister of Canada appears to be willing to allow our country to become dependent on foreign oil by 1982. The American plan, named "Project Independence", anticipates that through better conservation measures and the development of as yet untapped oil reserves, the United States will be able to switch from being a net importer to being a net exporter of oil.

What is happening in this country? Last Friday the Minister of Energy, Mines and Resources (Mr. Macdonald) outlined an entirely different future for Canada. He released a pessimistic National Energy Board report which says that Canada will not have enough oil for domestic purposes in 7.3 years, and that we shall become dependent on oil imports in the relatively near future. Within eight months the present government has changed its position dramatically on this question. When appearing before the

Standing Committee on National Resources and Public Works last March, the Minister of Energy, Mines and Resources. when referring to oil, stated:

● (1710)

We can see a ten-year supply, a ten-year period during which the supply will be adequate to meet the Canadian demand.

A year earlier he said:

For another decade or longer we could continue to meet export commitments and to meet the growth of the Canadian market.

In the energy department's policy for Canada published in 1973, a 15-year reserve of oil was referred to constantly. It was pointed out that these figures did not include the oil sands reserves or northern reserves. In the space of less than a year, what has happened to Canada's oil reserves? Did they leak away? Did someone kick a hole in our oil barrel? I suggest the answer is no. We have a government that acts in strange ways. There may have been a mistake in calculations, but I do not believe it is that. I believe the government has taken its present stance with regard to oil for five deliberate reasons. First, the government plans to increase the price of oil from $6.50 a barrel to $8.50 or more. How can you suggest such an increase, however, without first claiming oil is in short supply? The industry has stated higher prices are needed before oil exploration can continue, so it is higher prices we are going to get. That will mean seven or eight cents more for a gallon of gasoline.

Second, Canada would like to cut back on oil exports to the United States. It is certainly easier to explain the cutback if you can first say to the Americas, "Honest fellows, we are running out of oil ourselves. We would like to help, but you know how it is". Third, the government intends to launch their new Crown corporation—they love Crown corporations—which will be known as PetroCan. It will be active in the oil exploration field. It can better be justified by stressing that oil reserves are low and the new state-run corporation will be needed to find new oil. On that point I would say "balderdash". PetroCan will not start to solve any oil reserve problems in Canada in a meaningful way.

Fourth, this government has done virtually nothing to encourage conservation in this country. They have not instituted a program other than the petty little $1 million advertising program that they recently suggested. They have not instituted a program to grapple with the fact we are misusing much of our energy resources in this country. I believe the present stance with respect to reserves is to get the public ready for some type of program of conservation. The government wants to dissuade the public from the belief there is virtually unlimited wealth in resource energy in this country. In short, in order to have a more effective energy conservation program I believe they are suggesting we have to talk scarcity.

The fifth reason is that previous oil reserve estimates anticipated that exploration would continue to produce new oil finds roughly equal to our annual consumption of oil and gas resources. For the past year, however, with government indecision and quarrelling with the industry and the producing provinces, the drilling rigs have commenced to pull out of our oil-fields. Little new oil has been found and the authorities are at last getting alarmed. Hence the gloomier picture.

It is unfortunate that we in Canada, with so many natural assets and with such great resources, have to be ruled by a government which is in a position of allowing the country to not properly manage the resources at our disposal. We do not have to become dependent on foreign oil imports. If we do, there is only one government in this country and one association that is to blame; that is the Trudeau, Liberal government which has ruled this country indecisively since 1968.

Some hon. Members: Hear, hear!

Mr. Stevens: I now wish to touch on a second awkward point in this budget, the question of housing. As hon. members know, housing starts in this country are dropping dramatically. We have a new Minister of State for Urban Affairs (Mr. Danson). When confronted with that statement, he said, "Well maybe the forecasters say that housing starts are dropping, but it is my job to prove the forecasters wrong." I hope the minister will start on his program and soon prove the forecasters wrong. We have not seen anything in the form of legislation from that minister, nor in this budget, that would lead any forecaster to doubt his previous forecast of disaster for the Canadian housing industry.

Take the $500 gimmick to home owners. I sometimes believe that government projects rarely sound better than when they are first announced. Do you remember, during the election campaign, the promise of $500 for each and every home buyer, made by the Prime Minister? Many felt it sounded pretty good. True, with house prices soaring, some wondered if $500 would even cover one month's inflation. However, most agreed something was better than nothing. It now appears that what the government had in mind was closer to nothing than something.

Some hon. Members: Hear, hear!

Mr. Stevens: The Minister of State for Urban Affairs announced earlier this month, and reiterated today, that the scheme would begin as of November 1, but there were conditions: the $500 would be available to first time buyers only; it could only be received if you bought a new house. In my constituency a house would have to sell for less than $44,915. With the average price of a single-family home in Newmarket now $52,318, and in Aurora $51,060, it is not likely the government will be sending many $500 cheques to that area. In fact, it is not likely they will be sending many cheques anywhere. Based on the minister's own estimate of the cost of the grants this year—$2 million—it would appear that throughout the nation less than one buyer in 200 will be eligible for the grants. That is what you call getting maximum publicity mileage out of a minimum effort.

There is an aspect of housing that is perhaps being overlooked. There is a regional disparity in this country that is not being dealt with by the present government. I am referring to the fact that a person in Toronto needs a 40 per cent higher income to buy a home than does a resident of Montreal. For example, in Ontario the average price of a single-family house is $46,899. In Quebec it is $32,600. Yet the average income in Ontario in 1972 was $6,690, while the average Quebec income was $6,286, only some $400 less. To date, however, the government has treated this problem as a national one. It has not acknowledged that if $500 is worth anything, one needs more than $500 in the

Toronto area in order to help a Toronto man to buy a house comparable to one in Montreal. Prices have got out of line, yet this aspect of the matter has not been recognized or dealt with.

● (1720)

The Acting Speaker (Mr. Penner): Order. I regret to interrupt the hon. member, but the time allotted to him has expired.

[*Translation*]

Mr. Charles Lapointe (Charlevoix): Mr. Speaker, I want to thank you for giving me the opportunity to participate in this important debate on the budget.

It has been several years, 16 to be exact, since the member for Charlevoix addressed his hon. colleagues from this side of the House. I would like to take this opportunity offered by this first speech I have the honour to make today, Mr. Speaker, to thank the people of my riding who put their confidence in me during the last election. The return of Charlevoix to the Liberal party after 16 years means a lot to me because the mandate given to me is first of all to come and express in this House and to the government the needs of my riding, and also work within the Liberal government to establish across this country a just society for all Canadians. It is for the sake of that ideal that I was elected, Mr. Speaker, and that is what I intend to fight for beside the right hon. Prime Minister and his cabinet colleagues.

The budget introduced by the Minister of Finance (Mr. Turner) meets exactly that double mandate in the sense that, through various measures, it is first aimed at lessening the tax burden of those on low income, something which will allow us to help those in our society who are most vulnerable to the effects of inflation. Second, the budget is aimed at making all parts of Canada benefit from the particular resources which are sometimes the attribute of a single area.

As a member representing a riding experiencing an unfortunate rate of unemployment of about 25 per cent all year round, it will be easily understood that it was with some apprehension that I expected a budget that could have been little more than anti-inflationary. Fortunately, Mr. Speaker, the Minister of Finance had the wisdom and the courage not to listen to the prophets of evil and introduced an expansionary budget allowing the people in underprivileged areas of this country to look at the future with hope.

The economic slowness of underprivileged areas such as my riding is very often due to their remoteness from large centers. Because of this fact, the Speech from the Throne included a new transport policy for such remote areas, a policy enabling their people to live at the same pace as others in urban centres.

At this point, Mr. Speaker, I would like to pay special tribute to the hon. Minister of Transport (Mr. Marchand) who always worked for a united Canada, as is once more illustrated in this new transport policy. This policy is especially important for my constituency, where there is no regular air service within a 450 mile radius, and where train service is provided in a quarter only of the total Charlevoix area.

Mr. Speaker, I hope we will soon be in a position to reactivate Forestville et Saint-Irénée airports, which will allow people in Charlevoix to live at the same pace as those in urban centres and also to use services in those centres. Also in the field of transportation, it is important, Mr. Speaker that our ports along the St. Lawrence be maintained in operation. In addition to the traditional importance of these ports for our trade and tourist industry, it should be fully realized that Charlevoix has always depended on the St. Lawrence and that the use of its docks is a privilege we grew accustomed to.

We cannot speak of regional disparity without mentioning the Department of Regional Economic Expansion which since its inception has been the main factor in providing equal opportunities for all Canadians. I very firmly believe in the department's work. It will need increasingly bigger funds to meet the demands from all such Canadian areas that are not responsible for the inflation spiral or pressures on the economy, but that must of necessity bear the consequences. It is urgent in my opinion that the department, along with the Department of Industry, Trade and Commerce, take steps in the nearest possible future to help create jobs in the tourist industry. This industry, the leading economic force in a number of Canadian areas, has an increasing need of government help to face the general cost increase. It should be treated in the same way as other industries. Furthermore, Mr. Speaker, in that field and in most cases, they are small and medium businesses to which the government wish to give assistance.

For too long, Mr. Speaker, the riding of Charlevoix was considered, outside our area, as one of the most beautiful parts in the province of Quebec, reserved for the wealthy tourists who enjoy living in isolation during summer months.

Times have changed and people wish now that the touristic attractions in their riding be organized on an industrial basis which will allow them to work for decent wages and to participate also in the many advantages we find in Charlevoix, advantages which were reserved until recently to a small minority.

Located between two very active economic poles, that is the Quebec City area and the Baie-Comeau-Hauterive area, the riding of Charlevoix does not benefit at all from those two centres of attraction. Inside our own territory, our future must be based on agricultural and touristic development, on the development of forest resources and of our maritime location.

In my riding, people live on a very low scale. The great national problem which we now have to face is the fact that this country still has underprivileged people, underdeveloped areas and Canadians who are unable to get their share of the resources and benefits it offers. That is why, Mr. Speaker, the budget proposed by the Minister of Finance (Mr. Turner) should have favoured an expanding economy in order to come to the help of those Canadians who have a right to pass the poverty point.

As I mentioned earlier, Mr. Speaker, I believe, and I know that my colleagues hold the same view, that it is for the achievement of this single purpose, that I have been sent to Parliament. It is rather significant that a majority government should have been elected in this time of

alarming economic troubles. We have been given a clear mandate, which is governing this country for the well-being of all Canadians.

When we look to the future, we cannot help thinking that governments have to interfere in economics, social and international policy, and they will have to do so more and more in the future.

Mr. Speaker, we must stop worrying about the terms used to describe the government's action, we must not engage in vain debates whether we are too socialist, capitalist or centralist, or not enough. We must take advantage of the years when we are in power to put forward economic and social measures whose only aim will be the well-being of Canadians. This is exactly what the budget proposed by the Minister of Finance intends to do.

● (1730)

[*English*]

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, much has been said in this debate by my leader, and by my colleagues from other provinces, concerning the disallowance by this Liberal government of royalties and other provincial taxes as deductions in computing taxable income. The Minister of Finance (Mr. Turner) referred to the tradition involved in allowing these deductions in the past, but he hides behind the complexity and variety of the provincial claims. In doing this he completely ignores the constitutional rights of the provinces given under the British North America Act. The government is trying to make a scapegoat of Alberta in order to hide its all-out financial war against the provinces.

Little has been said about the effects of this policy on my own province of British Columbia. This is probably because of the absence of our premier in Tokyo. However, his resources minister said the federal government move was an obvious and deliberate invasion of provincial fields of revenue. British Columbia's mining industry, which is also involved with non-renewable resources, has been hard hit, and much of its direction has been forced out of Canada. Even renewable-resource industries, such as forestry—which is striving for a sustained-yield position—will be greatly concerned by the government's decision to disallow the deduction of provincial taxes.

The obvious intention of the government is the total disallowance of all provincial levies. Already the minister has indicated that the Ontario land speculation tax is non-deductible, and every Canadian businessman must now wonder when some provincial or municipal tax that he pays will become a non-deductible expense in the view of this government. Even some normal business expenses such as advertising were disallowed when the expenditures were for space in foreign periodicals. The failure to resolve this issue only reinforces the impression that the government continues to offer stop-gap legislation.

The most startling thing about the budget is that it makes no attempt whatever to wrestle with the problem of inflation, and yet it is itself inflationary. It predicts higher government expenses and calls only for a rate of growth of government expenses lower than that of recent years. Referring to the minister's estimated reduction in total financial requirements from $2 billion to $1 billion because of the effects of higher-than-expected inflation, the *Globe and Mail* was moved to observe that "the government has been the big inflation winner."

This view is consistent with that expressed by the Honourable J. V. Clyne, a prominent British Columbia industrialist, who said during this year's election campaign that the Trudeau government had totally abandoned any idea of curbing inflation in favour of seeking votes. He cited this government as the worst contributor to inflation, and referred to the increase of 140 per cent in government spending over the past six years.

Looking into the budget we can see that it treats a few of the symptoms of inflation. There are a few tax cuts for individuals fortunate enough to have taxable incomes, and there are added exemptions for pensioners. The minister proudly states that a married wage-earner with two children will pay no federal tax in 1975 unless his income exceeds $5,871. If his income does not exceed $5,871 he will be starving, Mr. Speaker. Other than the indexing provisions of 1973, the only benefit available in 1974 to the working poor is a $50 increase in the minimum cut in personal income taxes, which does not even begin to cover their loss by added inflation since indexing began.

Now let us look at some of the income tax changes and how they affect other taxpayers. Compared to the married wage earner with two children who pays no federal tax on his $5,871, the minister tells us the married pensioner-couple can earn $8,258 before paying any federal tax. Of course, the minister will not help them receive that much. They would have to have a substantial private pension plan and over $10,000 in Canada savings bonds or other security in order to obtain the maximum benefit from the minister's offer. This is just another empty offer by the government to those pensioners who are struggling to exist and cannot afford to take advantage of it.

But here is the big gainer, Mr. Speaker,—the non-typical couple who are both employed. Let us say they both take a $1,000 home ownership savings plan exemption, and both use the $1,000 interest deduction, and both have a maximum deduction under a registered retirement savings plan. This charming couple will receive exemptions of $16,000 and, in addition, will be eligible for tax cuts of up to $750 in 1975.

We should not be misled by the minister's reference to the fact that no federal tax is payable by the sample wage-earner or pensioner. Even these individuals will pay a significant amount of provincial income tax that this government will collect from them on the regular tax form.

I recall that nearly two years ago in my maiden speech in the then budget debate I suggested the total removal of personal income taxes and the substitution of a consumption tax. The government laughed, but I would like to quote briefly from my speech, as reported at page 1708 of *Hansard* for February 27, 1973:

> There is also a precedent for this idea in this country. Already the government allows individuals to save up to $4,000 per annum tax free in a registered retirement savings plan. This money is taxed when it is taken out of the plan and spent, usually after the taxpayer has retired. Look at the effect of this idea on a young family starting out—and much is said about the difficulties facing them. At present, two young people working side by side to make a start for their family are forced to pay a vast portion of their income in tax, even though their consumer expenditures are very low. My suggestion would allow them to get a

boost by paying a tax only on the amount they spend. Similarly, those on low incomes would pay little in tax, and high-living Canadians would pay their fair share based on their high expenditures.

This government by its registered home ownership savings plan has taken another step toward my suggested goal, and I suppose I should feel grateful. And I would be, if the minister did not continue to permit so many glaring inequities to persist in our tax system.

We can see another example of the government's bungling in its attempt to solve the housing problem of Canadians. The government has reduced the sales tax on building materials—something Progressive Conservatives have long advocated—from 12 per cent to 5 per cent, providing a good saving on an average house, but leaving about $500 in sales taxes payable.

In the meantime, the Minister of State for Urban Affairs (Mr. Danson) has announced that he will give purchasers of new, moderately priced homes a $500 grant. Now, of course, this is just another empty offer because of the lack of new homes in the price ranges given. But, Mr. Speaker, the government has retained all of the bureaucracy of the sales tax department, and you can be sure that it costs just as much to collect a 5 per cent sales tax as it does one of 12 per cent, and it will create a whole new bureaucracy to administer the $500 grants. The net effect to the purchaser would be the same if the 12 per cent tax were wiped out entirely, and we would eliminate a double bureaucracy.

This housing minister's predecessor was horrified last session when I said the government should get out of housing. My views were echoed only two months ago by the Vancouver *Province* newspaper, which said:

... our housing difficulties, particularly in the rental field, compose a classic case of problem creation by government.

It continued:

We did not begin to experience real rental shortages in this country until the federal government removed the tax incentives that channeled a lot of private money into rental accommodation.

Finally, the badly needed incentive to entice high-income Canadians to invest in housing has been restored, if only for 13½ months. Of course the government needs the private sector to solve the housing problem, and has shown repeatedly that government-provided housing is unacceptable or unavailable to those people the government says it wants to help. But, typically, the government's plans to help the needy must fail because the really needy cannot afford to take advantage of the plans offered.

● (1740)

Many of the factors in the high cost of housing can be traced to the action of some level of government. For example, not too long ago municipal governments used to approve sub-divisions with gravel roads, septic tanks and drainage ditches. Improvements were put in gradually and paid for over decades through local improvement taxes. Now they require pavement, curbs, underground wiring, street lights, storm and sanitary sewers before the first house is occupied. The municipalities were saved, but the purchaser had all these costs added to the purchase price of his new house. Today delays of two years in obtaining all approvals are common, and this can add 25 per cent or more to the cost of raw land in a subdivision.

[Mr. Clarke (Vancouver Quadra).]

This government did its share in escalating housing prices. For example, CMHC refused to lend on non-sewered lots. The government's inflation has caused interest rates to skyrocket, which magnifies borrowing costs for housing in an incredible fashion. A typical 7 per cent mortgage for $40,000 carries monthly payments totalling $84,000 over the term, but a 12 per cent mortgage of the same amount requires payments of $124,000, a $40,000 increase.

If one doubts that inflation is a factor in interest rates I should remind hon. members that the Liberal government sold 3 per cent perpetual bonds in 1936. These bonds are still outstanding and worth about one third of their face value in 1936-dollars, or about 10 per cent in terms of purchasing power. This year the government sold Canada Saving Bonds at 9¾ per cent, and these carry an immediate cash redemption guarantee.

Bond yields offer an interesting aside here, Mr. Speaker. The minister, early in his budget speech, referred to the increase in the average yield of outstanding Canada Savings Bonds, which is now 10½ per cent if held to maturity. No mention was made of the yield on marketable government bonds maturing after 1980, with rates that vary from 4½ per cent to 6¾ per cent and with present market values ranging from $69 to $81 for a $100 bond. No, the minister would only adjust interest rates when it was to his government's advantage. In order to stop the flood of redemptions on Canada Savings Bonds he had to increase their yields. But the poor holder of the marketable bonds has to suffer the effects of the government's inflation policies right up to the maturity date of the bonds he bought in good faith.

Holders of Canadian government annuities find they too are locked into long-term agreements at rates of 4 per cent, and they, along with the holders of the 3 per cent perpetual bonds, are having their pleas for justice turned aside. When it suits the government the minister claims sanctity of contract, to the detriment of patriotic Canadians who loaned their money to the government. Truly the government has been the big inflation winner.

Before the increase in yields on Canada Savings Bonds was found necessary the minister told an annuity holder that an increase in annuity yields would require "a tax increase for all taxpayers to subsidize a minority of Canadians who are holders of government annuities". In the same letter he said:

Certainly, if any action of this nature were to be contemplated, it seems to me it could hardly be restricted to government annuities, and not extend to holders of government bonds.

Now this highly-principled government has done a complete about-face and given special consideration to the holders of some government bonds, but no consideration to annuity holders and holders of other government bonds. It reminds me of the government spokesman who, in reference to the principles involved in resource taxation, said that the federal government had backed down halfway on its principles and that the provinces should do likewise. That is so typical of members of this government. They do not realize that if a principle is involved it should be worth defending, and there is no backing down.

Let me return to the contribution the government has made to the high cost of housing. Naturally an investor

faced with 10 per cent inflation cannot lend his money out at less than the rate of inflation plus a return on investment. A few months ago G. Arnold Hart, Chairman of the Bank of Montreal, said savings would have to yield 17 per cent for the average taxpayer to get ahead of inflation which is running at an annual rate of 10 per cent or more.

Governments speak of speculator profits, and say government land banks are necessary. Speculators will not make profits if there is no demand. The increased value of land only reflects the demand for it at any given time. For example, today houses in Ottawa are selling for less than they did last spring. Demand is off because of high interest costs, lack of mortgage funds and other reasons. So what does the government decide? It decides to add to the existing demand for raw land the pressure of government bids for its land bank. The government will have to outbid all other potential buyers.

Inflation again is a factor in higher constructions costs. The government's inflationary policies force all workers to seek not only increases to keep up, but create an anxiety in people and a loss of confidence which forces them to seek gains to cover future inflation. The construction industry is highly organized and very powerful, and its workers are therefore able to obtain top wage increases not available to all home buyers.

Now the Minister of Finance and the Prime Minister (Mr. Trudeau) say they can do nothing about inflation. They talk about imported inflation. I would refer these gentlemen to the "Bank of Canada Review" where they will see that the export price index increased 37 per cent in the year to April, 1974, whereas the import price index increased only 26 per cent in the same period. The conclusion one can draw from this is that our prices are rising at a substantially higher rate than those of our trading partners.

While our government is saying nothing can or needs to be done by Canada, the British government told a NATO meeting this month, in London, that the prized possession of freedom and security were at risk if the evils of recession and inflation were not controlled.

The government says it is trying to help the poor, and points to its generous programs to help the needy. But the government's over-all policies on inflation and taxation are eliminating the benefits for the poor and the elderly, and are making these Canadians more dependent than ever upon the very government that continues to say it wants to make these people more independent.

Mr. Gilbert Parent (St. Catharines): Mr. Speaker, this is the first time I have spoken in the House of Commons and, in all humility, I must confess it is one of the proudest moments of my life, including my pride at having my family here today. My one regret is that my son is not here to share in this, the highlight of my public career.

Some hon. Members: Hear, hear!

Mr. Parent: I congratulate you, Mr. Speaker, and your associates, not only because you have been chosen by your colleagues to preside over our debates and deliberations, but also on the stand you took last November 5, when the duties, responsibilities and privileges of the Speaker of the House were reiterated and reaffirmed.

The Budget—Mr. Parent

For some weeks now I have been weighing which items I should include in my initial address to the House. It is understood that I will comment on the budget presented by the Minister of Finance (Mr. Turner) on November 18. But more than that, I wanted to set forth guidelines for myself as a member of parliament, having regard to my constituency of St. Catharines, our beloved country, and to our role in the international community of nations.

The city of St. Catharines is set in the richest countryside and most inviting climate in central Canada. It is just about the right size, with about 114,000 people. It is big enough to support excellent elementary and secondary schools and a university. I have had the pleasure of teaching in three secondary schools in the city, and also of serving as a school board trustee for the schools in the county. Both these experiences were rewarding and interesting.

St. Catharines has five libraries, well staffed and well equipped medical facilities, and enough variety of activity and personality to ensure continued interest. It is near enough to several large cities such as Toronto and Hamilton to provide a change, if you so desire.

● (1750)

St. Catharines is an historic town with United Empire Loyalist origins and sturdy, happy, productive ethnic groups. Each year our folk arts festival attracts thousands of participants and visitors. In June, 1974, over 28 ethnic groups took part in the festivities. In all modesty, Mr. Speaker, I suggest that St. Catharines is a microcosm of Canada and we are proving daily that people from various cultural backgrounds can and do live in harmony. It is called 'The Garden City,' and with just reason. It has more parks per capita than any other city its size in Canada.

Employment is high in the plants and shipyards within the city limits. New construction as well as three new industrial developments are likely to mean continued prosperity. It should be noted that with 1975 designated as the year for women—and my able colleague from Trinity commented on the status of women yesterday—there is no job discrimination and women's groups in St. Catharines are respected and well accepted. St. Catharines is an easy going town—perhaps due to the climate, or perhaps it is the friendliness of the people there. The city nestles in the shelter of the Niagara escarpment. One of my continuing delights is to look out of my dining room window and savour the beauty of the escarpment.

The largest employers in the area are the automobile factories, the paper companies, the metal fabricators, and the food processors, including the wineries. It has been estimated that 80 per cent of Canadian wine comes from the vineyards of the Niagara Peninsula. My colleague, the hon. member for Lincoln (Mr. Andres), can attest to that. These wines are the pride of Canada. The Niagara Grape and Wine Festival held toward the end of September attracted over a million visitors to St. Catharines, and we helped in fostering favourable international understanding by welcoming the citizens of our twin city in the West Indies.

One of the strongest influences in recent years was the establishment in 1964 of Brock University. The city vibrates to the pulse of young academics. A few weeks ago

I had occasion to visit Brock, and from the Tower the view of St. Catharines is breathtaking. The theatre is alive and well at Brock. We have a symphony orchestra which is the envy of southern Ontario. Athletics compliment the academic flavour and the two live side by side, encouraging physical fitness and scholastic excellence. Our prowess in lacrosse is legendary.

In 1970 we hosted the world rowing championships. Our Royal Henley course is the finest natural rowing course in Eastern Canada. Each year over 3,000 young men and young women use these facilities and we are now fielding crews who are competitive internationally. It should be noted that crews from all over the North American continent compete yearly at the Royal Henley.

It is incumbent upon me, Mr. Speaker, to see to it that the views and the opinions, as well as the problems of the citizens of St. Catharines, are articulated in the national councils of government. Conversely, it is my responsibility to ensure that our people are kept informed of the development in the House of Commons. To this end, I have inaugurated a plan whereby I can report directly to my constituents by radio via talk shows and interviews, by newspaper, and by sending out at least four newsletters per year.

It is my duty to communicate with the inhabitants of St. Catharines by attending the various cultural and organizational functions which take place. It is my pleasure to trumpet the achievements and accomplishments of our city and its citizens.

In order to be conversant with the legislation and regulations which affect our citizens in St. Catharines, I have asked for and been appointed to the following important standing committees of the House of Commons—Labour, Manpower and Immigration, and Veterans Affairs.

Since the House opened on September 30 the Standing Committee on Labour was instrumental in settling the West Coast grainhandlers' dispute, the sub-committee on manpower has presented legislation for parliament's consideration, and the sub-committee on immigration has moved to make our immigration policy flexible enough to admit over 200,000 immigrants each year while also permitting us to select those people who have specific talents which are in short supply in Canada. On November 6 the Standing Committee on Veterans Affairs updated the Veterans Act to make it an instrument more responsible to the needs of our veterans.

The budget that parliament is debating is, in its approach to the country's economic problems, one of the most important in many years. To describe it as a re-run of the May 6 production with new sub-titles hardly does it justice. The Minister of Finance has reworked it from his earlier presentation by ameliorating the crunch of the oil and gas industry and by lessening the confrontation between Ottawa and Edmonton over resource revenues.

Most important, however, he reworked it in light of domestic and world economic conditions and prospects that have changed since May 6. He reworked it against a backdrop of recession fears in the United States, Japan and Europe, where Canada sells most of its exports. As a result the budget is a careful selection of policies which, in large measure, are designed to soften the impact of declining foreign demand for Canadian goods and services.

After a government is elected with a solid majority, as this government was last July, one would normally expect tax increases and government spending programs reflecting election promises. Instead it has proposed to reduce taxes, to curb government spending and to implement election promises only when they contribute to the objective of strengthening the country's ability to withstand economic assault, be it inflation or recession.

This is sound economics. Many persons have been advocating government economy and tax cuts for the last two years and more, the latter particularly so that people would have more take-home pay in order that they could buy more and thus create incentive for industry to hire unemployed workers. Now it has been concluded that the time is opportune for this approach, so the domestic market can take up any incipient slack, or part thereof, in the country's industrial infrastructure.

The Minister of Finance was not unduly pessimistic last Monday evening. He mentioned the word recession only twice; once a nod to the risk, and later a reference to the gathering forces of recession throughout the world. But he admitted that the outlook for the Canadian economy is less bright than in May, that signs of slowing down have appeared, and that tariff protectionism and payments problems abroad are causing weakness in foreign demand for our exports. In proposing tax cuts, he said there is need to sustain the growth of purchasing power over the period ahead.

I note that it is six o'clock, Mr. Speaker. I could finish my comments after the break. I require about a minute and a half more.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I suggest that we extend the time enough that the hon. member might finish his speech, and then enjoy his dinner with his family.

The Acting Speaker (Mr. Penner): The House has heard the suggestion of the hon. member for Winnipeg North Centre (Mr. Knowles). Is that agreed?

Some hon. Members: Agreed.

Mr. Parent: I thank my colleagues, Mr. Speaker. The budget gets rid of some of the aggravations of tax returns, as by limited exemption of interest and pension income from taxation. It is also strongly humanitarian, as when it proposes limited tax exemption of private pensions, transfer of tax credits to spouses, aid for those who want but cannot afford houses, and more aid for the handicapped. These proposals tend to cut the ground out from under those who argue that our liberalism is spelled only with a capital L.

The proposal to put higher taxes on heavy cars makes sense when you consider the need to conserve domestic oil resources. So does the corporate surtax, and higher taxes on alcohol and tobacco. The costs of government are at an all time high, and rising under the influences of inflation and swollen equalization payments to the provinces.

I have been asked many times what my reaction is to being in the House of Commons. I must confess, Mr.

Speaker, that the first time I was ever in the House was as a sitting member. At first I was awestricken; now I am only slightly confused by the procedures. But I hasten to add that I have no doubt as to my role as a member of parliament in this House, this crucible of democracy in Canada. I am sobered by my responsibilities and duties.

As a supporter of the government in power, I am expected to criticize constructively government policy and to offer my own opinions and ideas. It is true that I am not as vocally prominent in the House as my colleagues who form the opposition, but my reticence does not extend to our regional or national caucuses. I am a Liberal by choice. I choose to be a member of the Liberal party because it satisfies my own personal beliefs, and I believe it encompasses the hopes and aspirations of the majority of Canadians. This was borne out by the results of the July 8 election.

Canada is part of the international community of nations and it readily embraces this most important role. For years our peacekeeping forces have spread our reputation as a nation which is strong, understanding, fair minded and decisive.

● (1800)

[*Translation*]

The prophecy made by Victor Hugo at the Paris Peace Conference held in 1849 comes to my mind. Here is its most celebrated excerpt: "A day will come when war will seem absurd, a day will come when there will be no battlefields other than markets open to trade and minds open to ideas. A day will come where cannonballs and bombs will be replaced by votes and universal suffrage throughout the nations. A day will come when cannons will be shown in museums just as intruments of torture are being shown today. A day will come when we will see two huge groups, the United States of America, North America and South America, standing face to face, with the United States of Europe extending hands across the seas and exchanging their goods, their trade, their industries, their arts and their genius."

Mr. Speaker, to my mind, that day has come.

[*English*]

I look forward to the months and the years ahead during which I will be sharing in the decisions of this superb legislative body. It is quite probable that the awe of my first days will be replaced by a reverence which is reserved for quasi religious bodies.

The Acting Speaker (Mr. Penner): Order, please. It being after 6 p.m., I do now leave the Chair until eight o'clock this evening.

At 6.05 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. John Wise (Elgin): Madam Speaker, may I say what a great pleasure it is for me to join other hon. members of the House in the debate on the budget. Before

I begin my remarks may I congratulate the freshman member from southwestern Ontario, my neighbour, the hon. member for Oxford (Mr. Halliday). It is clear from his fine performance in the House this afternoon that he will continue to represent that old riding in Ontario, Oxford, in the very fine manner in which it was represented for 21 years by the late Wally Nesbitt.

I sat quietly and listened attentively on budget night while the Minister of Finance (Mr. Turner) delivered his 18,000-word document. The minister has acquired the ability to make a good presentation in this House, and elsewhere for that matter, regardless of the merit or content of that presentation, be it good, bad or indifferent; I sincerely extend that courtesy to him personally and regret that he is not present to hear my remarks. The budget is unique inasmuch as the foreword, preamble, observations, international scanning and comparisons make up the bulk of the text. The actual changes and adjustments are dealt with like passing flashes in the night. Descriptions of his address are many and varied. Some describe it as a consumer budget; others simply as a bad example. Some see it as a tightrope walk or a rerun of something old, something new.

I do not want to reject the budget outright, Madam Speaker, for some of its proposals, as far as they go, are both necessary and welcome. The reduction of the sales tax to 5 per cent from 11 per cent and 12 per cent on building and construction materials, the larger exemptions for pensioners, the allowance for interest and incomes from private pension plans, are meagre measures but ones well received and indeed desired by individuals. The removal of sales tax on heavy trucks and municipal water system materials and equipment will represent a degree of savings to our municipal governments which, with their limited tax base, are experiencing real financial difficulties.

We must ask ourselves this: how effective will these budget proposals really be? Does this budget do enough for business interests? Will the budget really cut into inflation, or will it even cool the inflationary expectations so prominent both internationally and domestically? In view of the government's past record and performance in this regard, I must say, Madam Speaker, that it is most difficult to share the minister's optimism. He indicates that he is striving to get the rate of inflation down below the double digit level. Hopefully, he is more adept at striving than the Prime Minister (Mr. Trudeau) is at wrestling.

It is obvious that, with the introduction of this budget, the government has chosen to continue its high wire dance rather than move ahead with any real authority in order to cope with record high inflation and the increasing cost of goods and services. We acknowledge the fact that inflation is present internationally, and that we are somewhat limited in this area. We are limited in our ability to control the cost of imported goods, but we also should be prepared to acknowledge that a larger inflation percentage than perhaps the minister is willing to admit is related to our own domestic situation in connection with goods and services.

The decision rests in the hands of the minister. He has chosen again not to act, and Canadians and Canadian businessmen are forced to tread water until some time in

the future. We hope they will survive and not drown in the process. Yes, the strong and the rich will survive; many of the others, unfortunately, will endure further hardship.

It is almost unbelievable that absolutely no measures for agriculture were contained in the budget. This government that avows a policy to increase production seems quite content and satisfied to let milk producers sell their product at or below the cost of production. It seems satisfied to let beef producers sell their product at 40 cents per pound while the cost of production is recognized to be 60 cents; it does not take into account beef cow prices at 10 cents to 15 cents.

The budget contains no tax concessions whatsoever to producers of food products. I ask the minister, where, in his 18,000-word document, will I tell producers to find the item to encourage them to continue in business and, indeed, to increase their production? I am aware of one item involving a tax increase. The minister has told tobacco producers in southwestern Ontario that they will once again have to shoulder an extra tax burden. This is not the first occasion, of course, when these producers have been called upon to bear extra costs. Too often they have received political wipings from this government.

The budget does little to assist small businessmen or to dispel their concerns over lack of capital. An article in the *Financial Post* of November 23, 1974, entitled "Small Firm Necks in Tight Credit Noose" and written by Roger Worth clearly and accurately describes the near drastic plight of small business. Mr. Worth indicates that Canada's small businessmen are turning to leasing companies, factoring firms and even finance companies in attempts to beat a major cash crunch. Tight credit rules and cash shortages force small operators to pay suppliers on a cash on delivery basis rather than the usual 30, 60 or 90-day terms. Proof of this situation was indicated when a finance company manager made it known that loans to small businessmen and entrepreneurs were on the upswing. He indicated that his company was getting good credit risks who were paying between 16 per cent and 24 per cent for money because they had reached their credit limits at the banks. This is certainly not a healthy situation.

This sector of which I have been speaking, Madam Speaker, forms the backbone of our economy. This sector is responsible for providing stability to our economy and social well-being to our lives. It is also vitally important in that it employs approximately 60 per cent of our labour force, and these people are not protected by large unions who can look out for their interest. Seldom are they protected by labour contracts and cost of living benefits, or "COLA" clauses.

It must be recognized that some business ventures are extremely risky; others are doomed to failure. On the other hand, our large, progressive and sound operations of today in most cases experienced small, perhaps somewhat uncertain and shaky beginnings. The lack of working capital is a serious problem and the budget does nothing to help remedy the situation. The lack of adequate mortgage money, and record high interest rates combined with inflated prices, have played havoc with residential development and home construction at a time when our housing needs have never been greater.

[Mr. Wise.]

• (2010)

Canadians have witnessed a slump in housing starts ranging from 20 to 30 per cent. Ad hoc programs have no doubt assisted in a small way, but have fallen far short of the needs of Canadians.

With regard to the $500 grant for first time buyers of new homes, a measure contained in the May budget and introduced by the Minister of State for Urban Affairs (Mr. Danson) a short time ago, how effective can this measure be when it is estimated that only one purchaser out of 200 will qualify? Surely the Minister of State for Urban Affairs must be less than enthusiastic about this program. I suggest this program would be greatly improved if buyers of older homes could also qualify for this grant.

The real problem in the supply and demand aspect of the housing industry is caused by high interest rates and a critical shortage of mortgage money. Until these are modified it is difficult to imagine any substantial improvement or real progress being made.

I want to say a few words concerning the minister's heralded tax cuts. The minister's contention that income earners keep his new tax cuts in mind when forming their wage demands is nothing but whistling in the dark. The year 1975 will no doubt see an unprecedented string of strikes, both legal and illegal, accompanied by excessive wage demands and excessive inflationary settlements.

Labour leaders, because of spiralling unchecked inflation, are forced to make demands according to what they think the cost of living will be in the coming years, and their estimates are invariably extremely high. This is no great wonder considering that the government does little to ease the fears or increase the confidence of these wage earners who cannot be blamed for looking out for their own interests.

To repeat as I began, the budget is not all bad. Some of its provisions are welcomed. Its failure lies in the fact that it does not go nearly far enough and that it involves a little too much hoping, and perhaps even praying, than it does concrete changes in economic policy that will help us to cope and effectively deal with the inflationary pressures ahead.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it is a pleasure to take part in the debate on this particular budget in view of its interesting and rather unusual history, as a budget which in large part was put before the House on an early day in May. Although it was received with a great deal of acclaim in many parts of the country, it was less well received by the House in the mood it was in at that particular moment. It is a budget which was defeated in the House of Commons but sustained by the electorate in Canada. Therefore it is basically put before the House of Commons again with the endorsement of the best possible kind.

Having had a budget sustained by the electorate in this fashion, the Minister of Finance (Mr. Turner) found it possible to put before the House, notwithstanding that, some significant improvements in the budget and its overall approach. One or two of these, like the change in the reduction of the sales tax in housing, were as a result of a change in the circumstances. This led the minister to

conclude quite rightly that what would have been wrong to do, in a time of extreme demand upon housing and an all-out construction program, as existed only half a year ago, was in fact right in circumstances when the housing industry had slowed and where an encouragement to purchase was in fact desirable.

The budget, after the election, also showed the impressive fact that whether winning or losing, it is possible to obtain certain messages from the electorate. I think we understood the general concern of the country about restraint in government spending as a major kind of approach. In a rather different area, the improvement in the position of persons on private pension reflected the continued concern of the government, a concern reinforced by discussions and contact with people throughout the campaign.

In the way in which the government can, we have moved to put people on private pensions in a better position to protect themselves against the deterioration of the value of their pensions. We are allowing them a deduction on a certain part of their pension benefits. Where there is not a second income in the family and both pensioners are over 65, we are allowing them to claim the full over 65 special deduction against private pension earnings.

These are significant and important steps along the road to improving a budget which was already sufficiently good that it could be stood upon and campaigned upon successfully in the country.

In the budget as it stood in May there were also certain significant approaches and proposals with regard to the taxation of oil, gas and minerals. It is perhaps important to recall that these provisions were in the budget as it stood before the electorate on July 8.

In this particular budget, the Minister of Finance has made some changes in those proposals, but not changes in the basic principles which were seen as being important in the approach to taxation of oil and minerals in Canada and the approach between the provinces and the federal government in that regard. Tonight I want to particularly deal with these issues because they are seen, I think, rather wrongly today as being issues of particular or special concern to the west, Saskatchewan or Alberta in particular, and therefore to the area where I was born and which I represent.

In dealing with this issue, I wish to propose that we recognize there are three quite separate questions involved in the current dispute about the place of oil and gas taxation in particular. These three issues are, I suggest, first, the special question of the export tax or the price for oil in Canada. The second is the right to taxation, the proper constitutional position for the federal government as opposed to the provinces with regard to particular taxation or an approach to it. The third issue is the correct use of whatever constitutional power there may be in existence—in other words, the correct levels of taxation and the correct sharing arrangement between federal and provincial governments, having in mind the importance on occasion of at least a third share, the share of industry of individuals involved in carrying on activities.

I say that the export tax must be examined first because it frequently is brought forward in a confusing way by western premiers who try to deal with it as though it bore on the other two issues. The export tax issue is essentially a question of whether in Canada we have the right to determine what the price of a product such as oil ought to be, particularly when there is no free market price being set—when the price is being set by a cartel which, if we could exercise control over it, we would try to break up. If there were an international government perhaps we would be able to break up that cartel. But the point I should like the hon. member for Crowfoot (Mr. Horner) to consider is that we need not accept the cartel price in Canada, since we happen to be in a fortunate position. What is the right price for oil?

● (2020)

Mr. Horner: You should make it clear who is subsidizing whom.

Mr. Lang: It is not a question of who is subsidizing who. The question is, simply, what is the right price for oil? Would the wrong price be justifiable in these particular circumstances? We made a judgment, and it was a judgment agreed upon by ten provincial premiers assembled together, which in itself made it quite a remarkable agreement. The right elements to take into consideration when dealing with the proper price for oil are questions like the long term supply and demand situation, the question of alternative sources of energy, the fact that as oil becomes a scarcer commodity the higher price is reasonable to restrict use or abuse. These are all appropriate considerations when making a judgment. And judgment is not easy.

I do not say there is any magic attaching to a particular price, but that, it seems to me, is a separate issue. The determination of what is the right price for oil in Canada, regardless of the actions of the cartel formed by other countries, is a special question. I suggest it does not involve any question of outright subsidization of any one group by another. Rather, it represents a refusal to accept exorbitant profits being made by a particular group in Canada just because people like them elsewhere would go for a similar price.

Some hon. Members: Hear, hear!

An hon. Member: You didn't move like that over rapeseed.

Mr. Lang: Well, we did, as a matter of fact. We moved with our export tax before the western provinces had even appreciated the problem.

Another matter which should be borne in mind, when trying to determine whether $6.50 was an appropriate price, is that one year or two years before that price was set when oil was priced at $3 or less, Alberta took the view that the more oil sold at that price the better. That was their approach just two or there years before. They may have been deadly wrong, but at least I put this forward as evidence.

The next question is the question of the right to tax, the question of the attitude of the federal government, when assessing its own taxes, toward what amount of taxation measures could be undertaken on the part of provinces or,

in other words, whether it was right in theory to disregard royalties imposed by a particular province when determining what should be the level of a particular federal tax. It should be plain to anyone that in a federal state it would be altogether inappropriate for the federal government to take more in taxation from an industry in one province than it took from an industry of exactly the same kind in another province. This is essentially the principle which is involved.

To go further, how ridiculous it would be if the federal government were to take less from an industry in a particular province because the government of that province chose to take more from that industry as its own share. In other words, if we were to allow provincial taxation generally to be deducted before calculating federal tax we would be encouraging, practically forcing, provinces into the position of taxing at the highest possible level to make sure that the federal government got less. This could be put in another way. Indeed, it was evident from the actions of Alberta and Saskatchewan that it was the other way.

If there is a federal tax structure and an appropriate level of taxation to be imposed by the federal government on industry throughout the country, the provinces may be tempted to increase their levels of taxation if those are to be counted by way of subtraction. We saw this clearly in the way in which Alberta and Saskatchewan acted. Alberta introduced higher levels of royalties than had been contemplated. Royalties were taken not only from the increased profits of the companies but from the proportion of revenue which the federal government would have obtained from those companies.

Look at what happened in Saskatchewan. Royalty rates there were put up even higher. If these rates had not been treated as they were treated in the budget we are now considering, the people of Saskatchewan, through those higher royalty rates, would have obtained a higher share of the profits of the oil industry than those in Alberta, though the oil industry in Saskatchewan would have paid less to the federal treasury than the identical industry in Alberta. This is unacceptable from a federal viewpoint.

There are some who claim that this approach to the treatment of royalties may encourage provinces to consider the next step of actually socializing the industry. I have heard this said, but it is wrong for two reasons. First, the very spirit of what we are doing is against that proposition. Saskatchewan has already gone half way toward socializing the industry by applying its particular level of royalty. This approach is being discouraged rather than encouraged by our handling of this question.

Further, there seems to be an easy assumption that somehow or other we could not or would not tax a Crown corporation operating a business which otherwise would be taxed within a province. Let me say it is our considered opinion that we could indeed tax such a Crown corporation operating in any such field. The fact that we have not done so in the case of utilities like power and telephone concerns is not a sign of the lack of constitutional power to tax but, rather, reflects policy decisions made at the time.

Indeed, utilities may be in a special position anyway because they are quite commonly under government ownership or directly regulated so that their profit or return is very carefully controlled. I do not say this means we have to avoid taxing them in every case; I simply say it may be an explanation for the decisions which led to this conclusion as a matter of policy.

The point which I consider to be of importance is that we could indeed tax a Crown corporation within a province if it engaged in activity which otherwise we were taxing in other provinces. This should be accepted by everyone in the House who does not believe that our constitution was not specifically aimed at promoting socialism in the provinces. If it were otherwise, every step toward socializing an industry would remove that industry from the federal taxation scene and there would be a clear impetus toward socialization.

The hon. member for Regina-Lake Centre (Mr. Benjamin) may smile, and that is because he would like a constitution which was aimed in that direction, but I should like to think that members of the Conservative Party and, indeed, the premier of Alberta might think twice about approving a constitution which was biased toward socialism because of the nature of the tax structure. Our considered conclusion is that it is not so, either in fact or in law.

The real question is not the right to tax and the propriety of allowing the federal government to tax business without regard to taxes or royalties imposed by provincial governments, but rather what the appropriate level of the tax should be. That is the appropriate question.

Mr. Andre (Calgary Centre): Is that what you said at the meeting of the premiers?

Mr. Lang: Yes, Madam Speaker, we indicated quite clearly in advance of that conference that it would be necessary for us to protect ourselves in regard to our revenue against such action that the provinces might take.

Mr. Andre (Calgary Centre): That's not true!

• (2030)

Mr. Lang: I suggest that as far back as last January the federal government made clear its position that the key question was appropriate shares between the federal government, the provincial governments and industry. The argument about appropriate shares is, of course, practically as old as confederation itself. It is not our view that the industries in this country should be so throttled with taxation that they have no incentive to explore. It is not our view—though it is the view of the NDP government of Saskatchewan today—that it is appropriate to expropriate without compensation and take over industries, totally discouraging all development and private initiative. That is not our view. It is our view that we should have appropriate and fair shares, which is the kind of matter that we can discuss.

In recognition of this, in his budget in May the Minister of Finance indicated, even though for very logical reasons he had to move to the conclusion that royalties should be treated as non-deductible for purposes of federal taxation, that he would allow a higher level of abatement which, in effect, restored to the provinces an appropriate and decent share of the revenue that was available. After all, it was

the provinces that took the first move in regard to taking most of the revenue that was available, and that also tried to move to take away not only the revenue from the companies but revenue from the federal government as well.

The question of what is the appropriate share is a question that needed discussion and that had discussion. In effect, the Minister of Finance said this. I did not think he needed to be of the opinion that he was taking too much in May of last year but, being the accommodating person he is, and in an accommodating government he said we would make some more revenue available to the companies and the provinces and hope that provinces, such as the province of Alberta, would agree to give more revenue to the industry so there would be incentive there for them to explore and develop resources. That is the approach that was taken.

Of course in the province of Saskatchewan—this should give the Conservative members opposite some cause for reflection—there is little likelihood of the NDP government being concerned to make any room at all for the companies. They are not concerned about the companies, or about development, private enterprise or private initiative. I hear the hon. member for Regina-Lake Centre (Mr. Benjamin) applauding the complete absence of private initiative in his province. I am glad to tell him that within a few short years we will be putting him back to private enterprise and initiative, and I have told him that before.

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the minister but the time allotted to him has expired.

Mr. J. H. Horner (Crowfoot): Madam Speaker, it is indeed a rare occasion when I follow the hon. member for Saskatoon-Humboldt (Mr. Lang). Most of the debates in which he and I speak in this House are on wheat and related subjects. I will not tell the House now that I am not going to divorce myself from wheat on this occasion, but mostly when debate relates to those two subjects the minister in charge of the Canadian Wheat Board waits in abeyance until I have spoken, and then attempts to answer the criticisms I have been able to level at him and his department.

I should like on this occasion to spend my entire 20 minutes criticizing the Minister's approach. All I can say to him and his fellow Saskatonians, both in this House and in Saskatchewan, is that I hope the Prime Minister (Mr. Trudeau) makes room for him after the next election in some university, such as McGill or Laval in Quebec. After this speech about taxing provincial corporations in the field of power, telephones and oil if necessary, and his attempt to disallow the Crownest freight rates, I really do not think there will be much room for him in Saskatchewan. I have often forecast—and I shall be there when it comes about—that I shall see Otto Lang tarred and feathered, and driven out of Saskatchewan.

Some hon. Members: Hear, hear!

Mr. Lang: The oil is too expensive these days, Jack.

Mr. Horner: I will pay for the oil, and I will pluck the chickens. That will be a little sacrifice that I will make for my beloved home province of Saskatchewan.

In his budget the Minister of Finance (Mr. Turner) dealt with the economy of Canada and compared it to the world economy. He suggests that Canada is on an inflationary cycle about which he can do nothing. He hesitates to slow it down because slower growth will mean slower growth.

An hon. Member: How about that!

Mr. Horner: If the House will allow me more than 20 minutes I can quote his exact words. One can find them on page 2 of the "Budget Highlights," where he says that world economies are weakening and that the world may well be in for a recession. He even suggests that the world may be in for a deep recession. One can gauge his words in that way and ask: what can we do about it?

The minister also adds on page 2 of his "Budget Highlights" that we are in need of massive growth in the production of food commodities and a number of other things. In the budget one looks for two indicators. First, the minister says the world is bound for a deep recession, and one looks for some indication that the Canadian economy will be protected so that Canadians feel this deep recession less than the rest of the world. Second, the minister stresses in his budget that the world is heading for a crisis in food production, and one asks what the budget can do to stimulate food production in Canada. Those, Madam Speaker, are the two highlights I took from his budget, and these are the two features of it to which I will direct my remarks this evening.

In trying to gauge the minister's political future at this time I ask myself what he is attempting to do in his budget. Is he trying to protect Canada by putting forward an expansionary budget, or is he trying to protect his own political future? It is for every member of the House to put forward his own views, and I have no doubt that the Minister of Finance will disagree with mine. He sees himself, one year from now, looking backwards and saying: "Well, I put forward an expansionary budget and we are in a deep recession. I did the best I could, so do not criticize the Minister of Finance".

Madam Speaker, you know the kind of political futures ministers of finance have in Canada. I am not suggesting that the minister's future is going to lead him to a higher role in Canadian political life, though he might think so in some of his inner reflections. But this is the main reason he has put forward an expansionary budget at this time.

Let me take him through one short and elementary lesson in economics. If you are headed for a recession and the finance minister of the country does not heed that recession and deal with it, then he only deepens the recession. This is the course that the minister is plotting for Canada today by putting forward an expansionary budget. He should really be cautioning all Canadians to produce more, save more, and spend less; but he is doing nothing of the kind.

Today the world is gripped by some kind of energy crisis. I have looked in the budget to see what it is going to do for Canadians in this respect. Is it going to encourage them to produce more energy in the form of hydro electric

power, gas and oil, at less cost? I do not see anything in the budget that would encourage them in that way. Will it encourage Canadians to produce more food at less cost? I see no encouragement in the budget in that regard.

● (2040)

The budget has attempted to keep abreast with rapidly growing inflation. The Minister of Finance has given some recognition to escalating revenue in the federal treasury brought about by inflation, and has attempted to give some of this back to lower income groups. I do not deny the minister that fact, and certainly this is worthwhile if he acknowledges that he can in fact do nothing to apprehend the inflationary spiral that exists in Canada and other countries in the world.

What can the minister do at this particular time to offset the recession most Canadians and most world citizens believe we are heading for in the next year? The minister has suggested in the budget, and I could quote the page, that he expects a 4 per cent economic growth rate in Canada.

Mr. Turner (Ottawa-Carleton): After the budget.

Mr. Horner: The minister corrects me. After the budget he expects a growth rate of 4 per cent. He also said that he expects, after the budget, an increase in government expenditure of 16 per cent. One does not have to go past grade three or grade four, or to have an excellence in mathematics, to realize that a 16 per cent rate of growth in government expenditures and a 4 per cent growth rate in the economy constitute an inflationary complex.

Mr. Turner (Ottawa-Carleton): That is at about the grade nine level.

Mr. Horner: Can we believe the minister that the rate of government expenditure will be limited to 16 per cent? Let us look at the past record which shows that the rate of expenditure increased by 24 per cent. What gives us the idea that he will hold the line on this budget?

An hon. Member: He said so.

Mr. Horner: Somebody says "He said so", but we on this side of the House know that he does not have a close relationship with the President of the Treasury Board (Mr. Chrétien), and that they are miles apart on many things. I am afraid we cannot believe him when he says that he and the President of the Treasury Board will hold the line on government expenditure. It is with sad heart that I say to this House that we have no confidence in the government which says it will hold the line on government expenditure. We know that a year ago government expenditure increased by 24 per cent. The Minister of Finance now is predicting a 16 per cent increase, and 4 per cent real growth in the economy, and that in itself is inflationary.

In Canada we have the ability to produce energy, and we have the ability to produce food. These are two commodities the world will be anxious to receive throughout the coming years. I have heard the Minister of Finance in this House and on television suggest to the country that the federal government receives only 8 per cent of the royalites being paid on oil and gas in Canada, and he cannot understand why the producing provinces, Saskatchewan and Alberta, condemn him for not allowing royalties as a tax exemption within those provinces. These royalties have been allowed as an exemption ever since confederation.

The minister is a lawyer and he has a great deal of legal assistance at hand, and there is nothing in the world to stop him from providing a clear and exact definition in respect of royalties if he finds that the provinces are finding loopholes. There is nothing to stop him or his department from laying down the exact meaning of a royalty which falls within his exemption category. If the provinces go beyond the boundary then the minister can say that he does not consider what they are attempting to exempt as a proper royalty.

The minister did not follow that course. He said that all royalties would be disallowed as tax exemptions within the federal government's jurisdiction. The minister has completely disallowed royalties paid to the province as tax exemption items for resource companies.

There has been much talk about the bleak future in respect of energy supplies, and I should like to deal with that for a few minutes, as well as with the National Energy Board report. I think I would be remiss if I did not point out at this time how Albertans feel about the way the minister is using them. The minister is using and abusing them.

I have in my hand a letter sent from a consulting firm in Calgary to an individual who wanted to purchase a small oil company in Saskatchewan. He wrote this consulting firm asking whether this would be a wise purchase. This involves a $2 million expenditure, and relates to 61 exploration and some producing wells. Let me just read the last paragraph of this letter which states:

> Alberta operators are not hit as hard by provincial royalties as are Saskatchewan operators; nonetheless, as a consultant I cannot in clear conscience recommend to you investing monies in Canadian oil and gas properties even though lack of private investment spells the end to my consulting practice.

That is like the old mother hen cutting off her own head. Mr. D. O. Bossort, the consultant, attached a financial statement for the month of October 1974 in respect of this oil company which shows that the federal export tax amounts to $76,344, and federal income tax amounts to $18,926.91, for a total federal tax of $95,270.91. It shows that the provincial tax and royalty of the same company amounted to $13,513.46, with a royalty surcharge of $30,994.23, for a total of $44,507.69, with a net after taxes of minus $344.86. It is no wonder the consulting firm did not advise this private Albertan Canadian citizen to buy into that small company in Saskatchewan.

I might add that this company had gross operating costs of $18,582.05 monthly, but by the time it paid federal taxes and provincial royalties it was operating in the red. This, as I say, is a $2 million enterprise. Government bonds represent a far better investment than oil and gas. This is a pure and simple example of that fact to all Canadians. I am prepared to put this whole letter on the record, or to send a copy of it to the Minister of Finance or anybody else who wants it. I suggest it is a prime example of why Canadians will not independently go out and buy up small

companies or shares in multi-national corporations, because they are all losing money producing oil and gas.

The individual to whom I have referred has said that he plans to leave whatever oil and gas remains in the ground. Why should he bring it out when it costs him $344.86 a year to do so? Let me point out, for the benefit of Canadians all across the country, that wise Canadians are not putting their money in oil and gas, and wise Canadians who already have their money in oil and gas are leaving those resources in the ground because it does not pay them to take them out after paying the taxes this Minister of Finance has levied.

The Economic Council of Canada pointed out today that the domestic price of oil should be allowed to rise to the international level by 1977, otherwise Canadians will become dependent on foreign oil before the end of this decade. That is pretty simple, but did the minister say anything about that in his budget? I suggest that he said nothing like that.

● (2050)

What does the National Energy Board report say in respect of oil exploration? It tells us what we already knew. It states that voluntary conversion and reducing oil sales to the United States are trivial substitutes for finding and developing new Canadian oil. It says what I have said many times. I have said that we will be a net importer of oil by 1982. I said in this House, time and time again, that the pipeline from Sarnia to Montreal would be empty in six years. I said that on April 9, 1974. The National Energy Board report substantiates what I have been saying in this House and what Imperial Oil has been saying. What has the government done? It has gone on blindly.

The National Energy Board report further states:

> The lack of important discoveries of oil in traditional Prairie areas means Canada—caught between rising demand and falling production—can run out of oil. It will have to import heavily unless it quickly develops big—very big—new reserves.

Canada will have to import heavily unless it quickly develops big new reserves. That is the point I want to make. What did the Minister of Finance do? He attempted to ease taxes. He did not clear the air. Since his budget Gulf Oil has publicly stated that it will reduce expenditures for oil exploration from $322 million to $222 million. If one takes into consideration that the expenditures by Gulf Oil represent 5 per cent of the normal amount of money spent on exploration in Canada, this means there will be $1 billion less to be spent on exploration this year because of the budget of the Minister of Finance.

Further, the National Energy Board report says that we will run out of oil unless we quickly develop big new inventories of oil and gas. We cannot do it with this budget. All the people of Canada, for whom the minister is supposed to speak, want to have an abundant supply. We do not want to be in the bleak position suggested by the National Energy Board, which says quite clearly that in 1985 Canada will be producing 900,000 barrels a day and will be importing 2,500,000 barrels a day. In 1990, if conditions remain the same, we will be producing 600,000 barrels a day and importing 3,100,000 barrels a day. We are on the wrong track with regard to energy.

Now I should like to deal with the question of food. It is interesting to hear members speak repeatedly in this House of their deep concern for the starving millions throughout the world. We always take pride in being a great wheat producing country. Last year there was an anomaly in Canada, which was no fault of the minister in charge of the Wheat Board, although I might also say it was no credit to him. World prices rose substantially. Farmers were embarrassed by the huge amounts of money they received for their wheat sales. In fact as of this day, in deferred payments through the Canadian Wheat Board the Farmers of western Canada have deferred payments amounting to $500 million or $600 million. That includes wheat sold through the Canadian Wheat Board and grain sold off the Canadian Wheat Board. We see the final payment for last year's crop deferred until January 1. That amounts to another $500 million.

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. Horner: I wonder if I could beg a few minutes to finish the thought I was expressing?

The Acting Speaker (Mrs. Morin): Is it agreed?

Some hon. Members: Agreed.

Mr. Horner: Thank you, Madam Speaker. I also wish to thank members of the House. I should like to finish this chain of thought in respect of wheat. We have an anomaly in Canada in that when people throughout the world are starving the wheat farmer is reluctant to deliver grain. We have a situation where there are now deferred payments amounting to $600 million. The minister has deliberately deferred the final payment of $400 million to $500 million on last year's crop, and we see the rise in the initial payment deferred until January 1, which amounts to another $100 million.

So without even a close tabulation there is already waiting for the farmers on the prairies payments of $1 billion for wheat, which they will have to declare as income next year. As one engaged in the business of raising cattle I know many instances arise where farmers will defer paying income tax by deferring sales of cattle. They will feed cattle for a longer period, and attempt to defer the payment of income tax by buying cattle on December 31. We see the same thing happening in the grain industry.

There is an interesting situation outlined in the budget where, through a registered home purchase savings plan, people may set aside $1,000 a year for a total of ten years for the purchase of a home, or the purchase of furniture for the home. There is already in the Canadian tax system a plan whereby a wage earner can set aside $4,000 each year in a registered retirement savings plan, which he may draw upon at some future time whether or not he should be working. However, the farmers and people in the grain industry have to deliver their wheat in the next year. The government should seriously consider helping the farmers set aside some money in a registered retirement savings plan so that the individual farmer will be able to be self-reliant through hard times and good times.

I would suggest, for the agricultural industry, a registered retirement savings plan with a maximum savings limit of $50,000. In this way the minister in charge of the Canadian Wheat Board will be able to do away with the guaranteed prices for agricultural commodities, because the farmer himself could accept the liability by setting aside $50,000 in a registered savings plan upon which he could draw when crops were poor or when prices were low. I believe such a system would create greater self-reliance within the individual in the field of agriculture. It would create less dependence upon the government, which is always a good thing, because governments continually muddle things, particularly this government. I would ask the Minister of Finance to consider this.

The Minister of Finance has said that the budget is good only for as long as he thinks it is good, and that he will bring in another budget whenever he thinks it is wise, in four months, in six months or at some other date. If I gauge it correctly it will be in March of next year, because the farmers then may be reluctant to plant grain and reap the crops to produce food for the world for they will be reluctant to pay the government the income tax they might have to pay.

Those engaged in the agriculture industry are becoming astute businessmen. They do not want to consider their income before taxes. They like to consider it after taxes, the same as any other businessman. So I encourage the minister to bring in a budget next March and to accept this concept. It will do the agriculture industry some good, it will do the millions throughout the world crying out for food a lot of good, and we must consider that seriously.

● (2100)

Mr. Chas. L. Caccia (Davenport): Madam Speaker, the budget that is before us deals with the effects of inflation on Canadians, and it deals also with the measures that are necessary to keep the economy strong in the event of an economic regression which looms on the horizon. I support this approach in our budget because it is a sound one, and also because it faces courageously the issue in which I and most of us in the House believe, namely, that the wealth of one province belongs to all Canadians. This approach also confirms the fact that we, being federalists, do not believe in a Canada consisting of 10 Biafran republics, each one pulling in a different direction. We believe that the basis of confederation is the sharing of wealth wherever it may be found.

As to the accusation that has been made by opposition members of treachery on the part of the federal government, the correspondence that was tabled on Monday by the Prime Minister (Mr. Trudeau) shows how empty was that charge. We all know, as the result of reading that correspondence, that there was an agreement on price reached last March, but there was no agreement on the fiscal policy. That distinction seems to have been missed by many spokesmen for the opposition.

I read the speeches made by Conservative spokesmen since last Thursday, to find out what ideas they put forward. Frequently they spoke about inflation, but they offered very few ideas on how to deal with it. All members of the Official Opposition, down to the last speaker, offered the recurring remedy, which frequently appeared as the main theme of their speeches, of trimming down government spending and establishing an inquiry into unemployment insurance. I ask you how resourceful and how effective these measures would be in fighting inflation? Only the opposition knows. They are silent on where to cut down spending and by how much, knowing that a good portion of the budget is determined by statutory agreements which determine our transfer payments to the provinces, which leaves not much room for cuts. Even so, assuming that this idea would be worth looking at, the opposition has failed to tell the government where to cut and by how much.

Strangely enough the opposition has also been silent on wage and price controls, the great theme that popped up one day in the House of Commons early this year. In February of 1973 the hon. member for Don Valley (Mr. Gillies) advocated a great expansionary budget in the House, and he accused the government of not doing enough to expand the economy. In his opinion, inflation at that time did not exist, and yet that was only a year and a half ago.

Early this year we heard about the other great discovery—wage and price controls. That idea was tested during the election, and perhaps that is the reason why we have heard no mention of it by the Conservative members. I suspect that the reason why they have not come forward with any specific ideas is that they cannot agree among themselves on what should be the economic policy of this country, and how to cope with inflation. They did not agree during the election—their members and their candidates had differing views—and they still do not seem to agree on economic policies and on how to cope with inflation. Witness the fact that if you go through *Hansard*, all you find are proposals to trim government spending and to institute an inquiry into unemployment insurance. What a shame that is, what an ideological bankruptcy! That is all that the opposition can produce.

We Liberals approach inflation in a positive way. We do not believe in wage and price controls. Why do we not believe in them? Because we know that they can be very effective only with regard to certain groups in society, but cannot be applied to others. It is very true that the controls advocated by the Conservatives could indeed be very effective when applied to those who are on payrolls. But how do you control the income of people who make a living from professional fees? How so you stop a professional person from seeing another client? Obviously you cannot. Because wage and price controls cannot be applied effectively to one group in society but can be applied effectively to wages and salaries, we believe that that is not fair, and we say that inflation cannot be fought on the backs of wage and salary earners.

The Tory approach also exempts farmers, and it could not be applied to imports. A situation would develop where prices would remain where they are, that is, high, and incomes would remain where they are, that is, low. This is not social justice. We as Liberals approach inflation along four main lines. First, the reduction or elimination of tariffs on essential imports or products; second, giving farmers, small businessmen and manufacturers the incentives that they need to produce more and produce more effectively.

Some hon. Members: Oh, oh!

Mr. Caccia: Third, we have worked very hard, despite the howls from the opposition benches, to establish a price for Canadian oil several dollars below the international price. We have put an export tax on oil, despite the howls from the opposition benches, to pay for the cost of oil imported to eastern Canada. Fourth, we have again imposed in this budget a 10 per cent surtax on corporate profits earned between May of this year and April of next year to catch undue profits.

I ask you, Mr. Speaker, how do these picayune measures proposed by the Tories to trim government spending and establish an inquiry into the UIC stand up as measures to fight inflation against the background of our Liberal policies? I ask you to comment on this. Obviously, there is a bankruptcy of ideas on the other side if that is all they can come up with, Mr. Speaker.

In the limited time left to me I would like to speak briefly about our manpower policies and unemployment.

Mr. Oberle: It will take too long.

Mr. Caccia: The hon. member is quite right, particularly in trying to straighten out the confusion in his mind because only last week he was trying to link the unemployed with empty seats on airplanes. Imagine that!

● (2110)

May I now touch on immigration. I take this opportunity to urge the Minister of Manpower and Immigration (Mr. Andras) not to yield to the temptation, evident in some quarters, of linking immigration to unemployment.

Some hon. Members: Hear, hear!

Mr. Caccia: I do not subscribe to that theory. There is no study to this effect. Since coming to Canada 19 years ago I have seen no evidence to support the notion that immigrants take jobs away from others, or that they fill jobs which would otherwise be filled by native Canadians. The evidence shows the contrary, that immigrants fill vacancies in construction, in mines, in factories, in restaurants and in hotels, and that these vacancies occur because Canadians do not wish to fill these jobs. This subject has prompted much political rhetoric in the past few decades.

When the green paper sees the light of day, probably on a cold day in January, I hope the minister will deal with immigration on its own merits. He should ask whether Canada wants immigration, what kind of immigration it wants, and where, and not link immigration to unemployment levels, unless it can be demonstrated that there is a relationship between the two. Personally, I do not believe there is such a relationship.

I believe that immigration has served and continues to serve Canada well. Besides filling economic vacancies, immigrants have become and will continue to become new consumers and stimulate new production of items such as furniture, clothing, appliances, etc. Immigrants seeking jobs numbered between 60,000 and 92,000 on average in recent years for which statistics are available, or less than 1 per cent of our labour force. At the same time, in the third quarter of this year 120,000 jobs in Canada remained unfilled. I suppose that figure can be interpreted several ways. Personally I think these facts point to two things; first, to a probable flaw in recruiting policies abroad; second, to a flaw in our manpower training program. This, after all, is understandable, as it is difficult to keep pace with the changing demands of employers in the post industrial society.

I should like to pursue these thoughts in a broader sense. It seems to me that the time is rapidly approaching when we in Canada must offer people work of a sort that fits a post industrial society. What we have done in the past few decades served a useful purpose, but we are on the threshold of a new age and we shall need a new approach for dealing with men and women in the labour force from the time they enter it until they retire.

Our private enterprise system, while it has been a system that has produced a higher standard of living for more people than any other system we know of, has had and continues to have the inherent weakness of not being able to generate full employment. This is true despite the many government spending programs and policies introduced in the post war period to support it.

There is a growing number of people, including myself, who believe that our unemployment insurance scheme should have a more positive orientation. But we should not engage in the kinds of witch hunts which opposition members have been proposing. We, in the Liberal party, do not act that way.

Some hon. Members: Oh, oh!

Mr. Caccia: I believe that we should assess the system and see how it can be improved. I see merit in giving our unemployment insurance scheme a more positive orientation. It should not merely be an instrument which reacts passively to the cycles of varying degrees of unemployment our private enterprise system seems unable to overcome, despite government spending programs and policies designed to do just this. Therefore the question is: why unemployment insurance? Why not employment insurance?

Employment insurance, presumably, could be based on our present approach to unemployment insurance, namely, a fund. All Canadians who are working would contribute premiums to that fund, which would be available to Canadians who are out of a job.

Mr. Oberle: That is merely another form of unemployment insurance.

Mr. Caccia: This fund would have two functions. It would provide income to maintain those who become unemployed while they are seeking employment, and it would provide employment for those who cannot find jobs in the private and established public sector of our economy. It would be funded in the same way as the unemployment insurance fund.

Since the major function of the employment insurance fund would be its job creating aspect, perhaps I might deal with that first in the time available. Many useful jobs could be created which would benefit society as a whole. In making the selection, perhaps three factors should guide us. First, the jobs should be non-profit in nature;

second, they should have the element of an investment in our future; and third, they should be varied enough so as to provide choices. For example, we could create jobs which would involve recycling; reforestation of Crown lands; the renovation and maintenance of historical buildings; the restocking of our rivers, lakes and seas; the cleaning of our rivers, beaches and ravines; the maintenance and repair of homes of retired citizens whose income limits their ability to pay for such work; the provision of supporting personnel to work with the handicapped and retarded children in our society; the preservation of wild life, and a host of other jobs. These are examples only. We have already learned what is needed through government programs like LIP, which was a forerunner of future programs. The LIP program indicated the road we might follow.

The selection of jobs which will be created by the fund will be decided in consultation with provincial authorities, labour unions and management, to ensure that the jobs supported by the fund do not conflict with their interests. The selection will not be without problems, but if we are to provide jobs which will not otherwise be created, some decisions will have to be arrived at despite the problems.

The next consideration which must be dealt with is the wages to be paid for this type of employment. My own view on the wages which might be paid for the kinds of jobs the fund would support is this: if one were to evaluate a job in terms of its usefulness to society, such job should command a much higher wage than many jobs which are included as part of the private enterprise job stock.

Mr. Oberle: We will all be working for the government.

Mr. Caccia: We are inviting members of the opposition to contribute their ideas and improve what we are putting forward. These ideas have been advanced for the sake of improving our entire society, because if we were to do things as members of the opposition think they should be done, we would continue to be boxed in by automation instead of becoming its master.

● (2120)

This is the challenge that is facing Canadian society and, I suppose, all western society. The number of jobs to be created would of course be determined by the level of unemployment that exists in other sectors of the economy. Some unemployment will always exist because of the fact that people who have to become unemployed need time to search for another job. This would, of course, have to be taken into account.

The other function of the employment insurance fund is to provide income to maintain those who become unemployed while they are seeking employment. The levels of income maintenance would be the same as those paid in benefits through the unemployment insurance fund, with the same maximum and subject to income tax as at present. The duration of the—

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

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I do not profess to be an expert in a great many fields as did the former speaker, the hon. member for Davenport (Mr. Caccia). With regard to his remarks I would simply like to say that if his expertise in all the other subjects he covered is comparable with his expertise in agriculture, he really lacks expertise and has demonstrated it here tonight.

Some hon. Members: Hear, hear!

Mr. McCain: There are a lot of barnyard phrases one could use. A great many of them would be applicable as a description of his remarks. However, let us refrain from those in the august company in which we find ourselves, and simply say that his remarks on agriculture certainly must be a reflection on his knowledge of all subjects upon which he spoke. It is extremely limited indeed by that measure.

An hon. Member: Let's hear what you have to say that is constructive.

Mr. McCain: That sarcasm might work back home, but we don't need it here. I find, as I look at the budget, that there are two subjects which are extremely significant by the total absence of constructive suggestions for their well-being. These two subjects are, of course, fishing and agriculture. It is as though fishing did not exist, and agriculture was a consumer problem not worthy of any major reference as far as government is concerned. For too long this has been the treatment of both these subjects.

Not too long ago the people on the east coast of this country suffered a serious amount of storm damage. It was utterly impossible to get any answers from the department. I can assure the minister that as of this moment, with the storm that is presently raging on the Atlantic coast, he better have a policy of a constructive and remunerative nature because the damage in all probability will run into the hundreds of thousands of dollars.

A rather minor storm was estimated to have caused something in excess of $100,000 damage to lobster traps off Grand Manan about a week ago. The storm of that day is insignificant compared with the one of today. Therefore, what is to be the policy? Is it the intention of the government—the Minister of Finance (Mr. Turner), the Prime Minister (Mr. Trudeau) and all those who sit around and behind—to ignore the traditional position of the government of Canada toward those who suffer losses over which they have absolutely no control? This was accepted as a national responsibility until the advent of this particular administration. It has been evaded effectively and shamefully since this administration took office under this Prime Minister.

It is time the government began to take a long, hard, practical, progressive look at what is necessary in the face of the rudimentary economic structure of both fishing and agriculture, and developed concepts which will produce health in each industry.

I will not dwell on the fishing problems as they presently exist. However, I will repeat that there has been a totally unrealistic approach in respect to regulations from the water to the can, from the fisherman to the processor, which have been totally unrealistic and which are contradictory to all the practices in a great many other countries

in the world. They have been detrimental to the fishing industry and fishing opportunities that would be presented around our shores given a realistic approach. Under the direction of this administration we have seen this nation close fishing operations which are thriving in other areas. We have seen this nation deprive our fishermen of an opportunity to catch fish in the sea, fish which are marketable in other areas in Canada.

We have seen our health regulations, as devised by the government for unquestionably good purposes, imposed upon our fishermen whether the fish are to be consumed at home or abroad. We have seen other countries approach our shores to try and buy fish from our fishermen, but we have said "No, we will not eat it ourselves and will not sell it to you." This is done even though these other countries have entirely different standards for their food requirements. We have unnecessarily and ill-advisedly deprived our fishermen of income which was rightfully and properly theirs.

In the agricultural industry we have not been particularly realistic in our recognition of the problems as they exist. There is no denying the economic health of the western grain grower, as described by the last speaker from this side of the House. There is no denying that certain aspects of agriculture have been extremely profitable. There is likewise no denying the fact that the crisis in several other facets of the agricultural industry for a long period of time has put agriculture in the position where people can ill afford to have a hard year. In some instances a hard year is just around the corner.

It is rather interesting to note that the government of New Brunswick chose to make an arrangement with a starch factory in that province so it would re-open its doors in case there should be a necessity of processing culls, a second rate product in the province of New Brunswick. This is indicative of a supply which may indicate reduced prices which that industry can ill afford. However, there is no immediate mechanism to put it to work under this government program. If the people concerned do strike a depressed year in income, they may not be in a position to plant another crop. It is an ad hoc approach. It is, I am sorry to say, a continuation of the approach which I heard a former minister of agriculture, the hon. Mr. Olson, put forward, "If the heat is too strong, get out of the kitchen." What he was saying was that if you cannot compete on the international market, don't farm.

There has been no change in this structure, no recognition of the necessity of international negotiation to give our agricultural industry an element of projection which it deserves, both for itself and the service of consumers at a fair price. Ministers have walked blindfolded in the mass of confusion as they formulated agricultural policy. It will not work. Their one policy, which has been the cornerstone of agriculture, has ended up in the position of being investigated by a committee of this House. I submit that that in itself is reflection enough on the attention which is given to agriculture, and on the keystone policies which the government has formulated and put into practice through legislation.

The budget may very well denote a great many difficulties as far as the Atlantic area is concerned. I wonder if in the long range the Atlantic area is unique in the position in which it finds itself, particularly with respect to energy and its long-term supply.

● (2130)

It is about time the government of Canada got off the ad hoc boat and began to alert the Canadian people to the exact nature of the long-term energy supply situation. There is now some indication by insinuation, and I suppose it will come out bluntly before too long, that all Canada may eventually have to pay world prices for oil. It is obvious that the first area which would be affected by such an eventuality would be the Atlantic area, and that there is no plan in the wind to take care of the energy requirements of the Atlantic area, particularly of industries in the petro-chemical field.

It is time consideration was given to the question of whether or not there is likely to be sufficient oil to fill the pipeline which it is proposed to build to Montreal. It is time the government gave consideration to the change in income patterns which might take place if the oil resources of Canada should attract industry and jobs to their locations. I do not quarrel with the idea of growth in any part of Canada, but I suggest the government should be aware of the possibility of such a shift in the distribution of wealth, jobs and opportunity and the effect this might ultimately have on the Atlantic area.

The government should consider whether Quebec might be next to be affected. Will Ontario be affected in turn? Our known energy resources certainly lie west of the Great Lakes, not east. Money, jobs, production, cuddle around the energy source to take advantage of lower costs of production. The entire equalization formula as we have known it may well be changed, province by province.

Making this situation worse is the policy of confrontation pursued by the Prime Minister, the Minister of Finance and others in the cabinet with respect to the development of natural resources and the income derived therefrom. There was never a time in our history when there was any dispute as to the ownership of natural resources. They were the property of the provincial government concerned, whether in Quebec, New Brunswick, Alberta, or any other province. Never has a federal government said to the provinces; "We should share in the revenue which comes to you because of your natural resources."

Even in the driest of dry times, the Province of Quebec or the Province of Prince Edward Island has only, by virtue of equalization grants, shared in the benefits which accrued to others by virtue of their bountiful natural resources. But now the Government of Canada is demanding its share and challenging the provinces on this basis.

It seems to be new to the government that anybody should suggest a percentage of profits as a yardstick for royalty derived from natural resources. Such a measure was initiated in the fifties in New Brunswick for a special purpose, and agreed to by the Government of Canada in the hope that it would lead to development in New Brunswick. The government of New Brunswick agreed not to collect a royalty on a cents per pound or any mandatory basis in connection with a natural resource, but to ask for royalties only at such time as the mining companies had developed a surplus under federal tax laws. This goes back

to the fifties. But it seems to have come as a surprise to the government that a percentage measurement of profit should be the measurement by which royalties are to be paid to a province.

This approach, as presently exercised by other provinces, has been pursued to excess. Only from this point of view do I support the Minister of Finance. Excessive charges have been levied at the provincial level. But the answer is not to confront ten provinces because two or three do not stay within the guidelines laid down by the government. The answer is to sit down and negotiate a sane and sensible deal with those provinces which have stepped over the traces by federal standards.

As a result of excessive taxes imposed by various provinces in Canada there has been a new impetus for exploration of mineral resources both in New Brunswick and in Nova Scotia. There are indications that some of the offshore exploration for oil may have been concentrated in the Atlantic area because unstable economic structures exist in the rest of Canada affecting oil resources. Reliance was placed upon the economic commonsense of the Atlantic area as an attractive basis for exploration and development. This certainly applies in the case of metals.

If the government applies to the whole of Canada the income tax law proposed in the budget before us, it will not only be punishing one or two particular provinces that have quarreled with it, but it will be punishing other provinces as well. This is not good government. We in the Atlantic area are concerned about this change in basic principle—about not allowing royalties as an expense of operation of the companies. This is not fair. It is not right. It is an infringement of constitutional privileges extended to every province since confederation. Is it the intention of the government to rewrite the constitution through the budget?

An hon. Member: Yes!

Mr. McCain: Members opposite know the problems they would face if they were to try to rewrite the constitution by legislation. Are they attempting it by means of a budget which automatically passes at a given point in time, regardless of the views of the opposition or of the provinces? If so, it is a shame and it is detrimental to the wellbeing of the country. And little do they care, Mr. Speaker, about what happens or what may be the feelings of others as long as those in power in Ottawa get their own way regardless of the consequences to the rest of us.

There has been a great deal of talk about the fiscal responsibility of the federal government. The government has expressed concern about the increasing cost of goods and services. I submit that in perfect contradiction of these expressions of concern the government has produced a series of budgets which are a denial of these protestations.

In the fiscal year 1973-74 the budgetary requirement was $23,726 million, according to figures made available in the budget speech delivered by the Minister of Finance. In the fiscal year 1974-75 the corresponding figure was $30,175 million. In the fiscal year 1975-76, as projected at this moment, the figure is no less than $34,900 million. In 36 months the government has escalated its expenditures and tax collection by 50 per cent. By what possible standards could there be an appeal to any section of the public to exercise restraint when the government sets an example by spending at a rate greater than the rate of inflation which presently exists?

Take one example of the effect of federal policies. There are in this country shortages of products required by agriculture, particularly in the chemical field. Within the last few months an executive of a company producing one of these products came to my office and stated that his company alone could end one of the shortages which presently exists, but it would not do so now because, if his firm were to invest money at its present cost, it might very well be priced out of the market due to interest charges alone. That is the effect of high interest rates in this country on development, employment, agricultural and chemical opportunities.

• (2140)

This stifling budget, and this stifling policy of high interest rates, have to be changed. It is a contradictory budget, which makes one question the real veracity of any government that would support such a situation as this. The budget is contradictory with respect to small businesses. No real concern has been expressed about them. The minister is going to change the Industrial Development Bank and do a lot of things, he says, for small business. But when you consider interest charges, labour charges, raw material charges and inventory charges, and the way they have escalated over the past five years, and if we adopt the standards of some of those members to our left and say there have been excessive profits so let us tax them as well, then I submit that the small businessman is constrained and restricted, and at this moment in time is looking forward to a not very bright future.

I grant you, Madam Speaker, that there has been a change in his taxable returns, but I submit he has now reached the point in time where he needs, as does every individual taxpayer in the country, an exemption, whether it be $30,000 tax free profit, provided it is reinvested in the business and works for the business. Small business is hurt and it is high time that the government, to the benefit of small business, the provinces and people in general, came out from behind its facade and into the world of reality.

Mr. Leonard C. Jones (Moncton): Mr. Speaker, I listened very carefully last Monday night to the budget presented by the Minister of Finance (Mr. Turner), and I would be less than honest if I did not commend the minister on his very lengthy, historic and concerned review of economic conditions, both nationally and internationally. Certainly the stated objectives of the budget to meet the serious economic problems of the country are worth while, but whether the actions that will be taken will really attain those objectives remains to be seen.

I trust that the members of the House will not push the panic button too soon or too late, as the case may be, for fear that instead of inflation, recession, slow growth and such other economic phrases, we hit rock bottom with a serious recession or depression, along with even more serious unemployment. We are just gliding at the moment. The trip will not be smooth or easy, but with less wind and proper navigation we should be able to land fairly smooth-

ly within the next 10 or 12 months—that is, if the pilot, navigator and crew have steered the proper course.

What I am saying is that I sincerely trust that the members of this House realize the terribly fragile condition of the economy and use their best endeavours, despite political or party allegiance, to co-operate with the minister in every way possible in order to share the load and achieve the goal of moderating inflation and, at the same time, sustaining economic growth.

However, I question whether the May budget, so called, was the real issue in the July election, at least in my own constituency anyway. I just want to set the record straight in that regard.

It behooves all of us during this session to be patient with the minister and the government in their alleged efforts to "wrestle inflation to the ground". But it behooves the minister and the government to inform the House immediately of all the restraints and their results, both good and bad, and if it is necessary to change course at any time, immediately to advise the House. If his theories are wrong, the minister should admit it. Each and every one of us must continue not only to urge government restraint—that is, reduce government waste, duplication, bureaucratic bungling and empire building, red tape and inefficiency, and, at the same time, provide adequate services—but we must urge and promote savings and less waste, not only in government at all levels but also at all levels of the private sector. Quite frankly, it is not so much what is in the budget that should concern this House; it is what is missing from the budget that concerns many, many Canadians.

Much is said in the budget about housing. A number of other items should have been added. First, there should have been an amendment to the Income Tax Act to provide for deduction by home owners of mortgage interest, municipal and provincial property taxes. Mortgage interest under the present act is subject to taxation in the hands of both the mortgagee and the mortgagor. This is double taxation and unfair and unjust. Second, there should have been an amendment to the Income Tax Act to exempt from taxable income interest on municipal bonds. Third, there should have been an appropriate provision for assurance that elimination of sales taxes on building materials and supplies will be credited to the home owner. Fourth, there should have been steps to reduce interest rates immediately on mortgages for home building or home purchase, and reduce interest rates for municipalities for public works by setting up a separate banking authority. I sincerely believe that these items could very well be included in the budget without upsetting the balance, and they certainly comply with the objectives, goals and aims indicated by the Minister of Finance on Monday night last.

The matter of regional disparity is still an important priority in this country. I was happy to hear during this session that government restraint will not cut into programs of regional economic expansion, particularly in the Moncton constituency. This is one program which eventually could make the poor provinces self-sufficient. Regional economic expansion must concern itself not only with secondary industry but also with transportation and primary industries such as farming, fishing, forestry and mining, along with power development.

Furthermore, a great deal is said about what is being done for our older citizens. Possibly the old age pension should be renamed a citizen's service pension, and on that basis these pensions should commence at age 60 instead of 65, in certain qualified cases, with the basic pension increased substantially.

The budget as presented purports to provide savings by government restraint. There is certainly a need to cut out waste, duplication, red tape and bureaucratic bungling, and to create greater efficiency in government. A little common sense, along with business sense, can create a great deal of savings of both dollars and cents.

One of the quickest and most effective ways to save millions of dollars, yes even billions according to some calculations, and create unity in the long run, is to reassess and improve the method of implementation of bilingualism in this country. Many public servants are just waiting for "doomsday," the date of their retirement, in the knowledge that their chances of promotion are practically nil. The merit system, in fact, is no longer in effect. Adult language educational programs in the government services and in Crown corporations just are not effective for the amount of money spent thereon. This is a perfect example of government waste.

Problems of this kind usually are solved by educational means, not at the adult level but in the public schools throughout the country. It is time we took an example from other countries where barriers have automatically arisen because of segregation in educational systems. It is my sincere belief that if Canada and Canadians are to be truly bilingual, and if we are to believe in equal rights and opportunities for all, then all youngsters in this country must be educated together. If this country is to be truly bilingual, it is time both English and French were taught in our public schools on an integrated basis. Let all our children be educated together. Let them learn together, play together and work together. Then they will get along together. Then and only then will our children become true Canadians.

If the consent of the provinces is required, or if it should be necessary to amend the British North America Act in order to bring this into effect, then a serious attempt to do so must be started forthwith. We should face the facts. Barriers are a problem in Canada. So often I have found young people unable to obtain employment in their chosen field, both in government and in private business, because they are not bilingual. The ground rules are being changed quickly and easily. Many of our young people are not being given the opportunity to comply with the rules. The barriers are set up at a young age. Let us change the ground rules if need be, but let us make a proper and fair preparation for such changes.

Bill 22 enacted by the legislature of Quebec will not promote unity or harmony. In my opinion it is unconstitutional, and will result in injustices and inequities for Quebeckers and other Canadians. The onus is still on the federal government to put a halt immediately to this matter by appropriate steps. Bill 22 conflicts with Canada's Official Languages Act and the New Brunswick offi-

cial languages act in that it provides for only one official language in the province of Quebec.

Millions, yes, even billions of dollars can be saved both in government at all levels and the private sector if the implementation of bilingualism is reassessed and halted. If the government and the minister are sincere in their efforts, then this is the type of item which can and should be deleted as not absolutely essential to our economy, security and wellbeing. Top level meetings should be arranged with the appropriate ministers and first ministers of all the provinces right now.

In addition to languages being taught through a uniform integrated educational system from sea to sea, along with geography, the sciences, the arts, etc., our children should learn more about the nature of that thing which will concern them every hour of their lives; the money in their pockets and the banking and credit system. They should be taught how money works, what banks do with it, how governments are controlled by it. They should be taught about the banking system and how banks can increase or decrease money supply. Perhaps if all these things were taught to our children, and they were given more knowledge and know-how in respect to the monetary system, the next generation would never find itself in the economic situation we find ourselves today.

One former Liberal prime minister once said:

> Once a nation parts with the control of its currency and credit, it matters not who makes the nation's laws... Until the control of the issue of currency and credit is restored to government and recognized as its most conspicuous and sacred responsibility, all talk of the sovereignty of Parliament and of Democracy is idle and futile.

Just to be fair let me read what a former Progressive Conservative Minister of Finance once said:

> I emphasize that the government of Canada has no power of control whatever over the money supply. It cannot increase it or decrease it.

As evidence of good faith the Banker's Association of Canada, representatives of the federal government and the Bank of Canada should meet to work out the details and timing of a changeover to a new monetary system as soon as possible.

● (2150)

Mrs. Ursula Appolloni (York South): Mr. Speaker, I rise this evening first of all to pay tribute to a great parliamentarian. I did not agree with all his views, but I have no doubt whatsoever that he was sincerely dedicated to the people of Canada. I refer to Mr. David Lewis, and would like to take this opportunity to wish him well in his new career.

Some hon. Members: Hear, hear!

Mrs. Appolloni: I should now like to congratulate the Minister of Finance (Mr. Turner) on what I believe to be a sincere desire to give this country a budgetary policy which is both realistic and humane. Inflation is the scourge of our times, and I applaud the minister's determination to fight it and at the same time to maintain economic growth without jeopardizing employment. We must not underestimate the complexities of inflation. Anyone who says there is an easy, pat solution to the problem is either a fool, a liar, or both.

[Mr. Jones.]

One of the easiest traps into which a free enterprise system can fall is that which by promoting vertical integration in the name of efficiency, can very well be instrumental in elbowing out the small businesses. Yet in the same free society it is often the same small businesses which, by their creativity, industry and determination, are the very pivot on which our economy turns. To these small but essential businesses I am proud to say that this government in this budget has accorded recognition and incentive.

Many of the constituents whom I have the honour to represent are senior citizens to whom we owe an immense debt of gratitude for their hard work and fine example. The people of York South, therefore, welcome the tax concessions to pensioners.

I should like to pause on that note, Mr. Speaker, and add a few words about the Canada Pension Plan. My constituents are primarily hardworking people to whom the work ethic is a fact of life. But, our modern pace is quicker and more full of stress and strain than that of some years ago. Despite the best will in the world, the 60-year old of today is sometimes just too tired, too exhausted to work, yet he or she just cannot afford to retire. In the name of these people I look forward to the day when the eligibility age for the Canada Pension Plan can be lowered to 60.

Some hon. Members: Hear, hear!

Mrs. Appolloni: And what of the millions of housewives who, through no fault of their own, are ineligible for the same plan? Let us not forget the fact that, despite the growing number of women in the labour force, there are still many who would rather sacrifice material gains in order to assure a proper home atmosphere for their children and a base of peace and tranquility for their husbands. Many of those housewives would be delighted to contribute, but many cannot afford to, and this latter group must be just as protected as the former.

I realize that the problem is a complex actuarial one which needs the attention of people more qualified than I to solve it. Complexity alone is no reason for sweeping questions under the mat. I would hope, therefore, that the Department of National Health and Welfare will dedicate to this subject the same capabilities and skills it has afforded to others.

To many of the constituents of York South the ravages of war and the horrors of discrimination and persecution are harsh memories, of which they bear the scars to this day. To them, and to their friends and relatives they left behind, peace is not only a necessity to survival, but a daily prayer. To these constituents the recent proceedings at the United Nations have been of paramount importance.

Canada too wants peace and strives daily for justice for all. I hope and pray that both can be achieved, and applaud the Liberal government, of whom I am a loyal supporter, for continuing its efforts, and in no way deviating from its path of traditional friendship towards Israel.

At one time in my career I was a member of the air force. There I received training second to none, combined with a sense of duty and discipline that has stood me in good stead throughout the following period of my life. May I now take this opportunity to express my deepest

admiration for the work done by our armed forces, not only—

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but it being ten o'clock we must proceed to the adjournment motion.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

PUBLIC SERVICE—REMOVAL OF NORTHERN PAY ALLOWANCES—MINISTER'S POSITION

Mr. Charles Lapointe (Charlevoix): Mr. Speaker, further to the question I put on November 20 last to the President of the Treasury Board (Mr. Chrétien) concerning the removal of the special allowances to federal civil servants on the north shore, I should like to give additional information to my hon. colleagues and the President of the Treasury Board in this regard and, in return ask the latter to enlighten me on that decision which strikes me as unjust, not only for the 800 civil servants on the north shore, but also for the population in that area which extends from Forestville to the eastern part of my riding, and encompasses as well the larger part of the riding of my colleague from Manicouagan (Mr. Blouin).

I should like to add, Mr. Speaker, that the same problem exists in Skeena, in the Prince Rupert area, in British Columbia.

In his reply to my previous question, the minister had advised me that the decision to abolish pay allowances had been taken following recommendations by the Joint National Council, which comprises representatives of both the Treasury Board and Public Service Alliance. I accept this explanation, Mr. Speaker, but I feel that this decision, no matter how it was reached, is hardly acceptable to those who must live in an area where they cannot readily obtain all essential services and where the cost of living is 12 per cent higher than in the nearest major center, namely Quebec City.

Mr. Speaker, I should like the President of the Treasury Board (Mr. Chrétien) to take into consideration the fact that all specialized services are not available to us on the north shore, for instance in the area of health, and that the people must travel to Quebec City or Chicoutimi to see a specialist. Such is also the case in the area of education where local general or technical training schools offer only a limited number of options. In many cases, parents must send their children away to continue their education at the secondary level, and in all cases at the university level.

Moreover, Mr. Speaker, I would like to mention briefly the fact that private companies of this area provide an additional amount for their employees, either in the form of special allowances or in the form of higher wages, and even both in some cases, to allow them to face more adequately the higher cost of living in the area.

The same applies, Mr. Speaker, to the employees of the Central Mortgage and Housing Corporation, who receive a special allowance of $728 if they are single and $1,044 if they are married. Bank employees also receive a similar allowance of approximately $900 a year.

I wanted to give all these details, Mr. Speaker, to show that there is a danger that the federal public service will have difficulty in the future in hiring people as able as the present employees because it is quite possible that north shore staff will ask to be transferred to another area or seek employment in the private sector.

In closing, Mr. Speaker, I would like to emphasize the urgency of this problem, because if it is not solved quickly, the population of the area may soon not have any federal services.

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I am taking note of the remarks of my hon. friend who has spoken about a problem that I consider serious. It would perhaps be appropriate to say a few words about its history.

The special allowances granted to public servants in that area, as well as those for employees on the north shore of British Columbia, were created several years ago because of existing conditions at that time. However, in 1969, the Treasury Board referred the problem of isolated positions in Canada to the Joint National Council, which includes representatives from the unions and the management, which I myself represent.

The Joint National Council studied the problem and tried to establish criteria determining the conditions under which public servants working in isolated areas should receive isolation allowances. They defined minimums and reached the conclusion that wherever the cost of living was not 20 per cent over that of the area closest to the point of arrival of supplies, there was no need to grant the special isolation allowances which were established in the Skeena riding and on the Quebec north shore to solve problems in those areas that were experiencing unusual development quite a number of years ago.

This is a very difficult situation both for the union and ourselves, because the problem has been under study since 1969 and the Joint National Council made its decision more than a year ago, long before I became President of the Treasury Board.

I can understand clearly that in Sept-Îles, Baie-Comeau and some areas of the constituency of my hon. friend and of the hon. member for Manicouagan, hiring conditions may be better in the private sector than in the public one. But collective bargaining provisions at the government level make it possible to negotiate regional rates that meet those needs.

We have done so in other areas, and I can see no reason why we might not, as the collective agreements of the civil servants in that area are being negotiated, introduce

regional clauses that would provide them with rates similar to those in the private sector, as the hon. member mentioned earlier.

I am pleased that the matter has been raised. I do not foresee any solution in the near future. I am ready to discuss that problem with the union. I am personally in favour of regional negotiations, because sometimes national rates do not fulfill their objectives. Therefore, I would rather favour regional negotiations, but, under the present circumstances, and considering standards are not met, I can see no reason why there should be special allowances just for those places.

[*English*]

EXTERNAL AFFAIRS—WORLD FOOD CONFERENCE IN ROME—PROPOSAL BY UNITED STATES TO ESTABLISH EXPORT PLANNING GROUP

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, since the World Food Conference ended in Rome we have heard nothing from the Canadian government except self-congratulations about our role there. If the rhetoric of the government were food, the world would have a massive case of indigestion. The fact is that the government has, as usual, set up a smoke screen of verbiage. The Broadway playwright who gave us "Promises, Promises" could not hold a candle to this government. Instead of being congratulated the government ought to be castigated, for the fact is that it failed to respond adequately to the world food crisis with even emergency or long term measures.

We got a great press around the world for our pledge of one million tons of food grains per year for three years. The world thinks that we are rushing food to starving people. What a fraud! The fact is that it will be one year from the Rome conference before any of that food is in anyone's mouth. There may be millions starving, but they will have to wait for another crop year, and then have to wait while we work out transportation arrangements. I asked the Minister of Agriculture (Mr. Whelan) on November 20 what is the earliest month in 1975 in which food would be sent from Canada, what countries would receive it, and what transportation arrangements were being made. The minister said that this information would be in his statement subsequently made in the House last Friday. But you can search that statement in vain for these specific answers.

Then there is the question of the $50 million in immediate assistance. I quote from the opening speech made in Rome by the Secretary of State for External Affairs (Mr. MacEachen) as follows:

> As an earnest of Canada's commitment to the solution of the world food problem, I am pleased to announce that the Canadian government has decided to allocate at once the sum of $50 million of Canada's development assistance to be used in ways which will make an effective impact on the present critical situation.

Since then many members have been trying to find out how and where this $50 million will be spent. Just today, almost a month after the minister made that statement, he was unable to provide specific information to my question. Yet the minister says:

> I regard the problem of hunger as great if not greater than any of the other global problems.

[Mr. Chrétien.]

Well, if this is how we respond to an emergency, our long range solutions for the alleviation of starvation will likely show up in the next century.

● (2210)

What is holding up the immediate implementation of this aid? Can it be the grain inspectors' strike, which has virtually halted grain movements out of Canada? If so, let the government state it clearly and then tell us what it is doing to end the strike. At least let us know that the government is trying to do something, particularly for the people of Bangladesh. Only today I had a lengthy conversation with an official of that country who confirmed a report in the *New York Times*, November 24 that thousands of people in Jamalpur, 120 miles northwest of Dacca, are destitute because of crop failures, the effects of floods and now severe cold:

> What's the use of feeding them?

This is what a distraught international official said of these victims.

> They are going to die anyway, if not by hunger, surely by cold.

In this district the people get a ration of a quarter of a pound of watery gruel made of rice and lentils once a day; they are being kept alive on what is technically a starvation diet.

I refuse to believe that Canada could not find a way to get food, not to mention clothing, to these hapless men, women and children if we really cared. Why not an airlift? Why could we not apply some of that $50 million to flying emergency supplies to people in real emergency conditions this winter? Why cannot we back up our words at international conferences with immediate action?

Why is there starvation in a world that has been blessed with the Green Revolution? I spoke of Bangladesh. The people of Bangladesh know how to grow food and they could feed several times their population. But they cannot afford the capital investment needed. Last year Bangladesh spent $40 million on oil imports. This year the bill is $160 million. That is the story of the developing countries. They are being squeezed out of existence by international energy politics. When developing countries cannot afford energy, they cannot produce fertilizer and crop yields plunge. There must be monetary and trade reform at the international level so that developing countries can be enabled to produce their own food.

All of this is well known. The external affairs minister himself said in the most important sentence of his speech in Rome:

> Canada emphatically supports the development of increased food production capacity by developing countries as the key to an anti-hunger strategy.

This brings us to the structural reform I advocated in a question to the minister on October 10 in which I suggested that emergency measures to obviate famine be contained within a total strategy for development. But our response is inadequate, measured in terms of emergency aid or long-range development.

A total strategy, as the United Nations keeps telling us, involves a better trade deal for the developing countries so they can help themselves and thus close the rich-poor gap. Yet Canada's history in trade negotiations involving de-

veloping countries has been negative, to say the least, and this trend has only been reinforced in Rome. Time and again, Canada has been in the forefront of those countries regularly turning down the requests, suggestions, demands and pleas of the Third World. This history leads me to believe that we need to have a total reappraisal of our position in GATT, which has been truly labelled a rich man's club. Let us stop using diplomatic tricks to sideline the Third World's legitimate aspirations to better trade deals.

Could we not heed the words of President Echeverria of Mexico, who sums up the food crisis by saying:

> ... in the final analysis, this situation has been determined and brought about by the inability of the great industrial nations to submit their production model to a system of international solidarity and shared development and interdependence based on equity and justice.

Since the food conference opened in Rome I have received 71 letters from people urging strong Canadian action. These are more letters than I have received on any other single subject, with the exception of capital punishment and abortion. I know that the Prime Minister (Mr. Trudeau) has also received a very heavy volume of letters.

Canadians care about this issue. They want a government that will face up to this global calamity with courage, conviction and action, not just words.

I am happy to see the minister present in the House. He knows of the great respect I have for him. I wish him great success in his important portfolio. He knows that I will not oppose any initiatives he may take in this field, and I encourage him to take greater initiatives in the field of international development.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the hon. member referred to the performance of the Canadian government at the World Food Conference at Rome. It is unfortunate that he and other members should fail to recognize the substantial contribution which Canada made to the success of the World Food Conference. It does not help Canada or the hungry of the world to misrepresent and undermine the solid commitment which was made at that conference. It is unfortunate that we must look to persons outside Canada if we are to recognize what was actually contributed at that conference.

We were asked to respond to precise proposals that had been put before the conference by the secretary general of that conference, who was appointed by the United Nations. In making our food commitment for a three-year period commencing next year, we were responding to the precise request of the secretariat.

If other member nations at the World Food Conference had responded in like amounts, either in cash or in quantity, I can say with certainty that the concern expressed tonight by the hon. member about the hungry of this world would be less soundly based.

Canada can hold up its head with respect to its performance at the World Food Conference and its commitment. I hope the hon. member will recognize that.

The hon. member talked about the $50 million. We did commit for this year an additional sum of $50 million for development. In making that commitment we had in mind that there might be projects or possibilities opened up at the conference to which this $50 million could be allocated. However, these possibilities did not open up. We are presently engaged in determining the places best suited for the allocation of this additional $50 million.

The commitment will be lived up to and the decisions will be announced very early. I can assure the hon. member that he has no reason to doubt the sincerity of the government in making that commitment, of which the precise terms will be made public at, I hope, an early date.

Motion agreed to and the House adjourned at 10:20 p.m.

HOUSE OF COMMONS

Wednesday, November 27, 1974

The House met at 2 p.m.

[*English*]

PRIVILEGE

MR. STEVENS—OBJECTION TO FACT THAT STANDING COMMITTEE NOT YET CONVENED TO STUDY SUPPLEMENTARY ESTIMATES (B)

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I rise on a question of privilege that concerns not only the privileges of all members of this House but the basic and fundamental privilege of the House to grant or to refuse supply. Obviously, if that right is taken away, this House does not exist. It is not so obvious that this House does not exist, except in shadow form, when the right to grant or to refuse supply is emasculated through abuse of the rules of the House and the contempt of ministers of the Crown for the law of parliament.

● (1410)

On Friday last, the President of the Treasury Board (Mr. Chrétien) tabled Supplementary Estimates (B). These supplementary estimates petitioned this House to provide the government with the sum of $1.75 billion to cover 49 items of expenditure. The Standing Committee on Miscellaneous Estimates is charged by this House with the duty of considering these estimates and reporting them back to the House either granted in full, reduced, or refused.

The steering committee of the miscellaneous estimates committee met on Monday evening, set priorities within a very short time-frame and said they would like to hear ministers with respect to certain estimates. We asked to hear the Minister of Energy, Mines and Resources (Mr. Macdonald), the Minister of Agriculture (Mr. Whelan), the Minister of Transport (Mr. Marchand), the Solicitor General (Mr. Allmand), the Minister of State for Urban Affairs (Mr. Danson), the Minister of Finance (Mr. Turner), the Minister of Industry, Trade and Commerce (Mr. Gillespie), the Minister of National Health and Welfare (Mr. Lalonde), and from certain other departments.

The fact is that so far, no meetings have been arranged. In spite of the fact that $1.75 billion is being asked for—which is more than the total budget of most provinces in this country—we are asked to consider 49 items in, now, only ten meetings at most. I raise this matter because I believe it is unfortunate that this procedure is being followed. For example, instead of referring the estimates only to the miscellaneous estimates committee, they should have been referred to the other relevant committees. I suggest that there must be a better way of treating this kind of expenditure.

In the result, the President of the Treasury Board abused the spirit of one of the basic rules of this House by tabling these supplementary estimates within a time-frame which effectively frustrated the order to this House to consider—I emphasize the word "consider"—this request for $1.75 billion of public moneys. Several ministers of the Crown have further frustrated that order by refusing to fit themselves within the time-frame that was suggested by the steering committee on miscellaneous estimates. As members of the committee, we are required, by the action of the President of the Treasury Board, to do the impossible.

Therefore, if it is acceptable to Your Honour, I move, seconded by the hon. member for Huron-Middlesex (Mr. McKinley):

That the subject matter of this question of privilege be referred to the Standing Committee on Procedure and Organization.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to speak very briefly on this question of privilege. I submit to Your Honour that since the present rules of the House under which we are operating were accepted, government spending has more than doubled. I submit it is an abuse of Standing Order 58(15), under which the House deals with supplementary estimates, for the government to rely more and more on the Standing Order to get its supply through this House. In my humble submission, the Standing Order was never intended to be used to the extent it has been used by this government. I humbly submit it was never intended that the miscellaneous estimates committee should be charged with the responsibility of considering, within the very narrow time-frame prescribed by the Standing Order, estimates to the extent of $1.75 billion.

I submit to Your Honour that this is clearly an abuse of the rules of the House. I hope Your Honour will treat the motion of the hon. member for York-Simcoe (Mr. Stevens) with consideration and will have this matter referred to the standing committee, where it can properly be considered.

Hon. Mitchell Sharp (President of Privy Council): Mr. Speaker, you will have to rule whether this is a question of privilege. I rise only to say that I believe the rules of the House demand a very fundamental revision and I would be quite happy to see this, among other questions, discussed in the committee.

Mr. Speaker: Order, please. If there are no further contributions to the question of privilege, I might indicate that the hon. member was good enough to give the Chair notice of his intention to raise this question of privilege. It seems to me that the argument the hon. member has presented in support of his prima facie question of privilege, supported by the hon. member for St. John's East (Mr. McGrath), raises what is in fact a very important subject and, therefore, a very important grievance in respect of the manner in which this substantial sum of money for proposed government expenditure will be examined by this House.

Railways Freight Rates

There can be no doubt that if there is any rule which is fundamental to the operation of a parliamentary system of government, it is the rule which pertains to the examination of, voting on and approval of government expenditures. Perhaps hon. members will have notices that it is inherent in what has been said in support of the grievance—I use the word "grievance" as opposed to "question of privilege" advisedly—that what has been done is, in fact, in conformity with the Standing Orders of the House. On the other hand, in conforming with the Standing Orders of the House the procedure has worked a hardship or difficulty on members in their necessity to fulfil their proper duties by examining these estimates very carefully.

Therefore, I have to find that because the Standing Orders of the House have been obeyed, there is not a prima facie question of privilege. However, whenever the Standing Orders work a hardship on members who want to do their duty diligently, it is very comforting to have the assurance of the President of the Privy Council (Mr. Sharp) that in the examination of the procedures of the House this very important grievance ought to be, and will be, taken into account.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGES AND ELECTIONS

First report of Standing Committee on Privileges and Elections—Mr. Blaker.

[*Editor's Note: For text of the above Report see today's Votes and Proceedings.*]

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HOUSE OF COMMONS

TABLING OF GREEN PAPER "MEMBERS OF PARLIAMENT AND CONFLICT OF INTEREST"

Hon. Mitchell Sharp (President of Privy Council): Mr. Speaker, I should like to table copies of the green paper entitled "Members of Parliament and Conflict of Interest". This was tabled in the last parliament, but I understand it must be tabled again in order that I may refer it, as I intend to do shortly, to the Standing Committee on Justice and Legal Affairs for examination and report.

* * *

TRANSPORT

EXPIRATION OF FREEZE ON RAILWAY FREIGHT RATES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of rather urgent and pressing necessity, namely the question of the expiration of the freeze on railway freight rates to take effect at the end of this year. Because of the refusal of the railways to respond to the request of the Minister of Transport (Mr. Marchand) for full disclosure of their costs to justify their present freight rates and their proposed 25 per cent increase effective January 1, and since the minister has threatened since July, 1973, to bring in legislation to force such disclosure, claims he has legislation ready and has asked for the co-operation of the House for speedy passage of such legislation, I would move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That this House requests the minister to immediately present his legislation for first reading, and further that this House agrees to co-operate to effect speedy passage of such legislation.

● (1420)

Mr. Speaker: Before putting the question I should tell the hon. member and the House that I have some grave reservations about the validity of the motion in that it seeks to anticipate an order of the day and, in addition, in the latter part it anticipates speedy passage by the House which is a term I submit which, even if the motion were adopted by this House, would be impossible to define with any degree of accuracy. However, the motion as put forward refers to a matter of some pressing necessity and urgency; therefore, I shall resolve the doubt in favour of the hon. member. Does the House give unanimous consent that the motion to be proposed under the provisions of Standing Order 43 be debated at this time?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion may not be put.

Mr. Benjamin: Mr. Speaker, on a point of order, I would point out that yesterday the Minister of Transport requested the co-operation of the House to the speedy passage of legislation and it was government members who said no to the motion.

* * *

HOUSE OF COMMONS

ALLEGED INCREASE IN STAFF AND POWERS OF PRIME MINISTER'S OFFICE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to move a motion under the provisions of Standing Order 43 on a matter of particularly urgent and pressing necessity because of press reports today that the Prime Minister's office will exercise an even larger role in controlling the government of this country with presumably a further decrease of the power of Parliament. I would move, seconded by the hon. member for Marquette (Mr. Stewart):

That it is the opinion of the House that further expansion of the power of the Prime Minister's office is not in keeping with the democratic process or the rights of Parliament and that the House requests the Prime Minister to make a statement on the changes that have been made, or that are contemplated, in the staff and duties of his office and in particular an explanation of the duties, salaries and job designations of Michael Kirby, former principal assistant to Premier Gerald Regan,

Michel Rochon on loan from the Treasury Board, Jim MacDonald former Liberal candidate in Grenville-Carleton and Joel Bell, a one thousand dollar a week consultant.

Mr. Speaker: Order, please. I have tried to take the occasion previously to indicate to hon. members that motions proposed pursuant to Standing Order 43 must relate to not only an important subject matter but must have some factor or ingredient within them that distinguishes them from ordinary important business and puts them in the category of urgent and pressing necessity. I can only say with the greatest respect to the hon. member that I fail to see that ingredient contained in the subject matter of this motion.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-16, to revise references to the Court of Queen's Bench of the Province of Quebec to which the concurrence of this House is desired.

* * *

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF CONSTITUENCY FROM BERTHIER TO BERTHIER-MASKINONGÉ

Mr. Antonio Yanakis (Berthier) moved for leave to introduce Bill C-365, respecting the Electoral Boundaries Readjustment Act.

An hon. Member: Explain.

Mr. Yanakis: Mr. Speaker, since the new electoral redistribution on the provincial level last year, the territory of the riding of Berthier that I represent is completely included in the provincial ridings of Berthier and Maskinongé. That is why I should consider it fairer for all my electors if the federal riding were henceforth to be known under the new name of Berthier-Maskinongé.

Motion agreed to, bill read the first time and ordered to be printed.

AMENDMENT TO GIVE GREATER REPRESENTATION TO RURAL AND NORTHERN AREAS

Mr. J.-J. Blais (Nipissing) moved for leave to introduce Bill C-366, to amend the Electoral Boundaries Readjustment Act.

An hon. Member: Explain.

[*English*]

Mr. Blais: Mr. Speaker, the purpose of this bill is to amend the Electoral Boundaries Readjustment Act to take into account the greater necessity for the rural and northern areas of this country to receive representation within these honoured halls.

Motion agreed to, bill read the first time and ordered to be printed.

QUESTIONS ON THE ORDER PAPER

[*English*]

(Questions answered orally are indicated by an asterisk.)

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the following questions will be answered today: Nos. 172, 235, 250, 358, 454, 504, 656 and 861.

If questions Nos. 63, 292 and 562 could be made orders for returns, these returns would be tabled immediately.

Mr. Speaker, would you be so kind as to call starred question No. 516?

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

● (0000)

[*Text*]

NUMBER OF INDIANS AND OTHER PERSONS IN PENITENTIARY DURING 1973

Question No. 172—**Mr. Orlikow:**

1. How many persons were serving penitentiary sentences in each penitentiary in Canada during 1973?

2. Of those persons serving penitentiary sentences, how many were (a) Indians within the meaning of the Indian Act (b) of Indian ancestry in each penitentiary during the year 1973?

Hon. Warren Allmand (Solicitor General): 1 and 2.

Institution	Number Incarcerated	*Number of Declared Indians
Newfoundland (Her Majesty's Prison)	12	1
Carleton Community Correctional Centre	53	—
Springhill	511	36
Dorchester	628	29
Dorchester Annex	86	3
Parrtown Community Correctional Centre	39	—
Dungarvon	15	—
St. Hubert Centre	148	—
Montée St.-François	308	2
Quebec Medical	136	—
Laval	132	1
Federal Training	494	—
Leclerc	617	5
Archambault	451	1
Ste. Anne des Plaines	182	1
Quebec Reception	103	—
Cowansville	559	3
Montgomery	88	2
Ontario Medical	173	5
Ontario Reception	138	2
Millhaven	517	19
Millhaven Annex	50	3

Order Paper Questions

Institution	Number incarcerated	*Number of Declared Indians
Prison For Women	205	19
Collins Bay	741	34
Collins Bay Annex	64	2
Landry Crossing	141	6
Beaver Creek	163	2
Joyceville	670	26
Joyceville Annex	83	2
Warkworth	495	16
Osborne	73	7
Stoney Mountain	652	193
Stoney Mountain Annex	97	34
Saskatchewan	681	144
Saskatchewan Annex	68	13
Oskana	11	1
Drumheller	496	57
Scarboro	70	1
Grierson	179	16
Bowden	10	2
West Georgia	44	1
Burrard	83	2
British Columbia	529	60
William Head	224	12
Pandora	34	—
Matsqui	498	43
Western Medical	151	14
Mountain	292	14
Agassiz	145	15
Ferndale	47	—
Total	12,386	848

*The information available is extracted from the inmate admission forms filled at the institutional level and represents those inmates who, upon admission, have declared themselves to be of Indian origin.

SUBSIDIZATION OF FERRIES

Question No. 235—**Mr. Reynolds:**

Does the government subsidize ferries to the tune of tens of millions of dollars on the east coast and, if so, can the government advise for what reason it is refusing to subsidize ferries on the west coast?

Hon. Jean Marchand (Minister of Transport): In so far as the Ministry of Transport is concerned: The government of Canada, under the Terms of Union of Canada-Newfoundland, and the Terms of Confederation of Canada and Prince Edward Island maintains and pays for ferry services connecting these two island provinces to the mainland. The ferry services are interprovincial by nature. In general, it is not the policy to subsidize intraprovincial ferry services of a "road link" nature. For this reason, no direct subsidization of such services has been entered into on the west coast. A number of agreements have been negotiated during the past few years transferring from the federal government to provincial governments' responsibility for the operation of ferry services coming under the definition of "road link". The Canadian Transport Commission advises me as follows: The following subsidies were paid to water transport during the fiscal year 1973-74: 1. East Coast: To coastal freight services, $3,043,220.89; to ferry services, $3,739,881.06; 2. West Coast: To coastal freight services, $923,000.00.

[Mr. Allmand.]

COUNSELLING SERVICE FOR HOMOPHILES

Question No. 250—**Mr. Herbert:**

1. Does the government consider it essential or preferable that counselling service for homophiles be provided by lesbians and homosexuals and would the same line of reasoning be applicable to (a) alcoholics (b) drug addicts (c) prostitutes?

2. Did the government have prior knowledge of the competence of the individuals that were awarded an Opportunities for Youth grant to set up a summertime counselling service for homophiles?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of National Health and Welfare and Manpower and Immigration as follows: 1. No.

2. Yes.

RURAL POSTAL SERVICE

Question No. 358—**Mr. Herbert:**

In areas where there is no delivery of mail, particularly in rural areas, and where, as a result, it is necessary to pick up mail at a local post office, will the Post Office Department consider discontinuing the charge for a regular size mail box to be more than offset by the savings to the department in reduced counter and delivery personnel?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): The Canada Post Office is currently reviewing its lock box policy. All relevant factors concerning lock box service are being examined. It is important to note, however, that current Post Office policy provides for general delivery service at no charge for persons living in areas where there is no delivery of mail.

● (0000)

LEGISLATION TO RESTRUCTURE PORTS AND HARBOURS IN CANADA

Question No. 454—**Mr. Forrestall:**

1. With respect to the news conference on transportation policy given by the Minister of Transport, June 19, 1974, on what date will the "new legislation to restructure ports and harbours in Canada based on the principle of giving greater local autonomy to port authorities and allowing greater local public participation in port-related decisions" be introduced?

2. Will the government invite submissions from representatives of the shipping industry, various Port Commissions and other public and individual bodies prior to or in the course of any Parliamentary debate on this matter?

3. From what bodies has this been solicited since or before the June 19 news conference and on what dates specifically?

4. Does the government accept the principle that full and widespread public debate should precede legislative changes involving "greater public participation in port-related decisions"?

Hon. Jean Marchand (Minister of Transport): 1. No date has been set for the introduction of new legislation on ports, but I expect that it will be in this Session.

2. The National Ports Council has been the focal point for submissions and discussion concerning ports reorganization for more than two years. These submissions have been the subject of study by the Special Committee on Ports and Harbours since last spring. This committee has reported, and its proposals are being considered. The consultation process will continue: the proposals will be discussed fully with the National Ports Council before any ports legislation is introduced.

3. Submissions have been solicited from the National Ports Council, since this body is composed of representative interests, including Harbour Commissions, the Local Port Authorities, National Harbours Board representatives, and officials of provincial governments, as well as officials of certain federal departments. The submissions were received, for the most part, prior to June 1974.

4. The development of a new administrative structure for ports is a complex task. The National Ports Council has the expertise necessary to examine the upcoming proposals, and because of its composition, it is considered to be representative of public and port user interests. It will be the focus for discussion of this issue prior to introduction of legislation. My reference to "greater participation in port-related decisions" refers to a principal characteristic of the new ports structure which we are trying to develop. That is, there would be a greater degree of local autonomy for the ports in future.

ESTABLISHMENT OF RAILWAY PASSENGER SERVICE TO FREDERICTON

Question No. 504—**Mr. Howie:**

What plans, if any, exist for the establishment of railway passenger service to the capital of the Province of New Brunswick?

Hon. Jean Marchand (Minister of Transport): There are no federal plans to establish a railway passenger service to the capital of New Brunswick at this time.

*DATE OF FINAL DECISION ON FACILITIES FOR PORT OF DARTMOUTH-HALIFAX

Question No. 516—**Mr. Forrestall:**

On what date will the Minister or Department of Transport make an announcement as to a final decision on the expanded container facilities required for the Port of Dartmouth-Halifax?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): Mr. Speaker, no recommendation for expanded container facilities at the port of Halifax has been made to the Minister of Transport by the National Harbours Board. Such a recommendation would be only in response to the demonstrated demand for such facilities, the timing of which has not yet been clearly identified according to forecast traffic projections; and to the financial viability of the project related to revenue from such anticipated cargo.

DEPARTMENT OF THE SOLICITOR GENERAL—CONTRACTS AWARDED TO LAPOINTE TRANSPORT LTD.

Question No. 656—**Mr. Grafftey:**

1. What transport contracts have been awarded by the Department of the Solicitor General to Lapointe Transport Ltd., 105 Industriel Blvd., Longueuil, Quebec, since January 1, 1972?

2. What was the amount of the contract in each case?

3. Were public tenders called in each case and, if not, for what reason?

Hon. Warren Allmand (Solicitor General): Ministry Secretariat, Canadian Penitentiary Service, National Parole Board and Service: 1. Nil.

2. Not applicable.

3. Not applicable.

Royal Canadian Mounted Police: 1. Nine contracts for the movement of household effects.

2. $639.64; $1,996.71; $255.85; $894.24; $440.32; $541.18; $1,349.30; $399.21; $261.20; Total, $6,777.65.

3. No. The contracts were awarded under the equalization system, whereby all approved moving companies are given an equal dollar share of the business available.

● (0000)

STE. ANNE DE BELLEVUE HOSPITAL

Question No. 861—**Mr. Herbert:**

1. With reference to the answer to Question No. 314, will the specific suggestions made in the study report be communicated to interested parties and particularly to the nurses?

2. Will the 14th floor at Ste. Anne de Bellevue Hospital now be opened and filled with those veterans who have been awaiting admittance?

3. Is the hospital operating at patient capacity and, if not, for what reason?

4. Up to what year is it calculated that this hospital could remain filled to capacity by veterans whose hospital care is the responsibility of the Department of Veterans Affairs?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Yes.

2. Not at this time.

3. Yes.

4. Probably 1985.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

POST OFFICE RENTAL—LYNDHURST, ONTARIO

Question No. 63—**Mr. Cossitt:**

With reference to the answer to Question No. 48 of the Second Session of the 29th Parliament that the government is paying $5,500 annual rent for a post office in Lyndhurst, Ontario (a) what is the name and address of the person or persons to whom this rent is paid (b) at what intervals and by what method is payment made (c) if payment is made by cheque, what are all the names and other information endorsed on each cheque that has been cashed since May 1, 1973 (d) what is the exact name, address and capacity of each bank whose stamp or designation appears on each cheque cashed since May 1, 1973?

Return tabled.

PAY DIFFERENTIALS FOR VARIOUS REGIONS

Question No. 292—**Mr. Coates:**

1. How many regions exist under the regional pay set-up and, in those regions, how many zones presently exist?

2. What is the pay differential for employees of similar classification in the zones established in each region of a Man 9, GL and T Group?

3. What is the pay differential for a Man 9, GL and T Group between the various regions of the nation using the highest rate available to a person in that classification in the preferred zone of each region?

4. What was the pay differential for the same classification in 1970-71?

Return tabled.

● (0000)

EXPENDITURES FOR PUBLICITY IN DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS

Question No. 562—**Mr. Symes:**

1. What were the amounts of money spent by the Department of Consumer and Corporate Affairs on publicity and/or information in each of the fiscal years 1972-73 and 1973-74?

2. What were the names and addresses of firms and individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. In the case of expenditures for publicity and/or information made within the Department by its publicity or information division, what was the amount in each case and the purpose of the expenditure?

Return tabled.

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I rise on a question of privilege. It relates to the fact that answers to questions standing in my name Nos. 45, 46, 47, 48, 49 and 51, all placed on the order paper on September 30, the first day on which questions appeared on the order paper in this new parliament, have in effect been provided to the press by someone in the government, and almost the complete text of the answers. This information first appeared in the *Globe and Mail* this week. My objection is not to the fact that this information is now available for public consumption and consideration, but to the fact that if members of parliament still do not have a right to receive the information that is given to the press, then there is something wrong with the whole system under which we are operating.

Some hon. Members: Hear, hear!

Mr. Coates: On a number of occasions this parliament has indicated its support for bilingualism in this nation. Surely, the people of this country have a right to know, through *Hansard*, what the cost and what the success of the program that the government has proposed is in actual fact. That is what I sought to secure, so that members of parliament would be in a position of being better able to examine the program and determine its strengths and weaknesses. It is rather difficult if the government refuses to give me information that somehow it is able to give to the press. I believe it is a serious matter and one to which you, sir, should give serious consideration to see that we, as individual members of this House, are protected.

● (1430)

Mr. Speaker: The hon. member for York-Simcoe (Mr. Stevens) on a question of privilege.

Mr. Stevens: A point of order, Mr. Speaker. I have placed starred question 788 on the order paper and it continues to be unanswered. The question deals with conflict of interest guidelines for cabinet ministers. In view of the government House Leader's statement on Friday last outside the House that there are such guidelines and that they are, to use his words, "probably the most advanced in the world", I would call on the government to produce the presumably secret guidelines without delay. Surely the government does not want to pretend that the July 18 or December 18 guidelines referred to by the Prime Minister on those dates are the most advanced in the world.

Mr. Speaker: The right hon. Prime Minister.

Mr. Trudeau: Mr. Speaker, I may be able to throw a little light on this. I would indicate that the guidelines are those very guidelines I made public in the House when I made a statement a year ago. I can understand that hon. members do not agree with them. That is why we have referred the whole matter to members so that they may express themselves on it. But the guidelines are known; they were made public.

Mr. Allmand: Mr. Speaker, I have a point of order. Yesterday on a point of order the hon. member for Hastings (Mr. Ellis) rose and disputed a statement I made that the RCMP would only investigate members of the House of Commons if they were suspected of criminal or subversive activities. He said that he had been investigated by the RCMP and had not committed any criminal offence. I have checked into this and I find that in November, 1973 the RCMP did conduct an investigation with respect to the hon. member for Hastings because it was alleged that he had in his possession a classified document belonging to the Unemployment Insurance Commission. This could have constituted an offence under the Official Secrets Act. The RCMP did investigate but found that there was no offence and dropped the case.

Mr. Nowlan: Are those plumbers or snoopers?

Mr. Speaker: Order, please. The hon. member for Cumberland-Colchester North (Mr. Coates) asked the Chair to take into account a question of privilege but did not follow it with a motion requiring action by the Chair. Nevertheless, the point is not lost.

MOTIONS FOR PAPERS

[*English*]

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it seems we may have been scooped by the *Globe and Mail* which only has to print in one official language.

Some hon. Members: Oh, oh!

Mr. Cullen: Mr. Speaker, notice of motion for the production of papers No. 12 is acceptable to the government.

Mr. Speaker: Order, please. Is it the pleasure of the House that motion No. 12 be adopted?

Some hon. Members: Agreed.

Mr. Cullen: Mr. Speaker, I ask that the other notices of motion be allowed to stand.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

COPIES OF SUBSIDIARY AGREEMENTS BETWEEN FEDERAL GOVERNMENT AND NEWFOUNDLAND—GENERAL DEVELOPMENT AGREEMENT

Motion No. 12—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of subsidiary agreements under the General Development Agreement between the government and the Government of Newfoundland.

Motion Agreed to.

ORAL QUESTION PERIOD

[*English*]

FINANCE

INCENTIVES TO OIL INDUSTRY TO ENSURE SELF-SUFFICIENCY—POSSIBILITY OF CHANGES IN BUDGETARY PROPOSALS TO ACHIEVE THAT OBJECTIVE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. I assume that in preparing his budget for presentation to the House the minister had access to the report of the National Energy Board which stressed the importance of the petroleum industry receiving proper economic incentives in order to ensure self-sufficiency in the future. Whether or not the minister had access to it, however, was his budget based upon agreement with the position taken by the National Energy Board that the petroleum industry must have proper economic incentives to ensure self-sufficiency or is it the minister's view that some governmental instrument like Petro-Can can do the job?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, in my address to the House in the budget speech I made reference to the threat of declining petroleum reserves and it was for that reason I restored the immediate write-off at 100 per cent for exploration of petroleum and gas and, indeed, mineral resources.

An hon. Member: Eight cents a barrel!

Mr. Turner (Ottawa-Carleton): I reduced the federal tax from the equivalent of 30 per cent to 25 per cent by increasing the provincial abatement from 20 per cent to 25 per cent and in these measures drew back from the May 6 position as it affected the petroleum industry by about 25 per cent, restored to that industry an additional $100 million this year, $170 million for 1975 and on an accelerating increasing basis over the subsequent years.

Mr. Stanfield: A supplementary question, Mr. Speaker. I take it from the minister's response that it is his view that the budget provisions will assure adequate rates of exploration and development within the present economic climate faced by the petroleum industry and that the minister does not intend to introduce any additional measures of encouragement as a result of the report of the National Energy Board?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, if the provinces of Alberta and Saskatchewan make some moves

then the health of the petroleum industry in terms of international competitiveness would be, I think, restored. Whether in other terms over the period of the next few years we have to look at the question of price, cost and other factors, of course, is something we will be dealing with as the situation develops.

Mr. Speaker: A final supplementary, the hon. Leader of the Opposition.

Mr. Stanfield: Mr. Speaker, if the minister is serious about accepting the proposition that the industry has to be encouraged, in view of the interpretation of the investor as reflected in the market since the minister presented his budget and the decision of the industry to cut back on the amount allocated for investment in the industry, is it the minister's position that the industry simply needs a little more explanation and that he, in fact, knows much more about their business than they do?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think it is generally accepted by officials in Ottawa and Edmonton and by the industry that a fair rate of return at the wellhead or production profits should give the industry 30 or 35 per cent to ensure the objectives the hon. gentleman mentioned. By increasing the abatement and restoring the exploration incentive, in effect the industry's share has gone from 24 per cent to 29½ per cent. As for the market reaction, in so far as it affected oil and gas, there was some reaction and probably the market was discounting rumours about the National Energy Board report. During the week following the budget the Toronto stock exchange dropped about 2.5 per cent against New York's 5½ per cent.

MINISTER'S KNOWLEDGE OF REPORT OF ECONOMIC COUNCIL OF CANADA WHEN PREPARING BUDGETARY PROPOSALS FOR OIL INDUSTRY

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I hope I can get a straight answer from the Minister of Finance rather than a shilly-shally answer. I should like to ask the minister if he had in his possession and did he study the report of the Economic Council of Canada. Did he know its intention prior to the presentation and preparation of his November budget, particularly in reference to petroleum and natural gas and the question of security of supply. I would refer the minister to page 61 and page 141 of the report.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I received a copy of the report at the same time as every other hon. member.

Mr. Woolliams: Well now, that is a shilly-shally answer. I wonder if the minister would tell us whether he had the report and if he studied it. If he did not have it and did not study it, did he know the intention of the report, particularly the recommendations as to security of supply and price setting?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the first time I saw the summaries of the report issued by the Economic Council of Canada was yesterday. I had no advance warning of the content of the report whatseover.

The Economic Council of Canada is charged with an over-view for the medium and long term of the economy of Canada. I received the report as did every other member of this House.

Mr. Woolliams: Mr. Speaker, I am sorry to have to press this but I think the minister should come clean with us. This report has been out since July at least, so it has been lying on somebody's desk. Surely, he knew the intention, particularly of those important recommendations. Where was the report? Did the minister know its intention? If he did not follow it, whose recommendations did he follow in preparing the budget in question?

● (1440)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I consulted widely, even including some of the hon. member's friends.

STATEMENT BY MINISTER OF JUSTICE ON FEDERAL TAXATION OF PROVINCIAL CROWN COMPANIES DEVELOPING RESOURCES—CONSULTATION WITH PROVINCES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. Last night in the House the Minister of Justice indicated that he strongly favoured federal taxation of Crown corporations if they are used by provinces to develop their resources. Was the Minister of Justice speaking simply as an individual at that time or was he stating government policy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member is not stating what the minister said. I read his speech just a few minutes ago. He did not say he strongly favoured that. I don't know why the leader of the New Democratic Party places those words in the minister's mouth. He said it was possible.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, it is a pleasure to learn that the Prime Minister is paying attention to debates in the House. It is very reassuring. Whether the minister strongly favoured it or not is a matter of judgment. If you read his text and argument, I think my interpretation is an understatement. The Prime Minister still has not answered my question. Is this government policy or is it not?

Mr. Trudeau: Mr. Speaker, the Minister of Justice said it was possible to do that. That is all he stated and I support him in that.

Mr. Broadbent: If the government embarks on such a policy, will the Prime Minister inform the House whether one result would be extending the idea to taxing provincial departmental activities in the resource sector if they took over certain developments independent of using a Crown corporation. Is the federal government considering that as well?

Mr. Trudeau: Mr. Speaker, I am sure you realize the question is hypothetical.

[Mr. Turner (Ottawa-Carleton).]

Mr. Broadbent: Mr. Speaker, I have one final supplementary.

Some hon. Members: Oh, oh!

Mr. Broadbent: It is obvious that not only the Prime Minister is a sensitive individual. A lot of his backbenchers are the same.

Some hon. Members: Oh, oh!

Mr. Broadbent: If I could just have a little quiet over there. If it is the intention of the federal government to move in this direction, will the Prime Minister assure the House that when the government finally acts, it will do so after consulting the 10 provinces and not simply impose such a policy on them unilaterally?

Mr. Trudeau: Mr. Speaker, if the provinces consult us before nationalizing industries, we will return the same courtesy to them.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

HOUSING

REQUEST THAT CENTRAL MORTGAGE AND HOUSING CORPORATION REDUCE INTEREST RATE

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to direct a question to the Minister of State for Urban Affairs.

I believe all hon. members recognize the efforts the Minister of State for Urban Affairs is making now to give a new impetus to the building industry. Here is my question: In order that those efforts be valid and efficient, could the minister advise the House whether he, his department or the government intend to take the necessary steps to require the Central Mortgage and Housing Corporation to set down their interest rates at 9¾ per cent for 1975?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I am interested in the suggestion of the hon. member and I appreciate his kind words. I wish I could reciprocate in such a manner to make him as happy as he has made me.

An hon. Member: Go over and kiss him, Barney.

Some hon. Members: Hear, hear!

Mr. Danson: All I can say is I will continue my efforts along with CMHC to make sure we deliver good housing for Canadians at the lowest cost and at interest rates they can afford to pay.

[*Translation*]

Mr. Beaudoin: A supplementary, Mr. Speaker. Could the minister advise the House whether negotiations have been initiated with loan companies and the Central Mortgage and Housing Corporation to provide for the amounts

of money—at reasonable rates—necessary to build houses in 1975?

[*English*]

Mr. Danson: Yes, Mr. Speaker. I have asked not only the leaders and representatives of the building industry but also the lending institutions to meet with me in Ottawa in the next several days so we can discuss these matters in relation to housing.

NEIGHBOURHOOD IMPROVEMENT AND RESIDENTIAL REHABILITATION ASSISTANCE PROGRAMS—REQUEST FOR INCREASED FUNDS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of State for Urban Affairs. In view of the fact the Economic Council of Canada is urging the government to increase funding for the rehabilitation of housing for low income earners, has the minister met with the provinces to designate areas where the Neighbourhood Improvement Program will apply and also with regard to the Residential Rehabilitation Assistance Program? Is the minister intending to increase the funding under this program which at present is very low, as it would do much to satisfy the needs of low income people trying to bring their homes up to standard?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I was interested in the remarks of the Economic Council of Canada in relation to substandard housing. There is more in this country than we should be tolerating. I am pleased to say that all provinces have now signed Neighbourhood Improvement Program agreements. Already grants of $41 million have been committed and $23 million in loans. I believe there are some 65 areas designated under RRAP. This is now expanding. It has been a long process getting these agreements in place and meeting with the various provinces and municipalities. The program is well underway. I am sure there will be adequate funding. I am pleased to say I will be meeting with officials of municipalities in Nova Scotia on Monday on this very subject, and I hope to repeat that across the country.

POSSIBLE EXTENSION OF REHABILITATION PROGRAMS TO RURAL AND NATIVE HOUSING

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Along with the Residential Rehabilitation Assistance Program and taking into account rural and native housing where Canadians in rural areas can qualify for rehabilitation grants apart from the Neighbourhood Improvement Program, will the minister indicate if there is any extention or promotion of effort in this direction by the provinces and what action is being taken in this regard?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I cannot do everything at once. I find I cannot do one thing as well as I would like. This is an extremely high priority. The Economic Council of Canada has highlighted this. The program is very generous. I look at it as one way to make a rather vigorous attack in the coming year and I look forward to having the funds to do that.

DATE OF INTRODUCTION OF LEGISLATION CONCERNING FIVE HUNDRED DOLLAR GRANT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a supplementary question for the Minister of State for Urban Affairs. In view of the fact that the minister is so concerned about grants, and knowing that the government has been less than honest with the Canadian people in terms of the $500 grant which now calls for legislation, can the minister advise how close that legislation is in terms of preparation for implementation by way of introduction to the House.

Hon. Barney Danson (Minister of State for Urban Affairs): Yes, Mr. Speaker. Frankly, I was hoping to have it before the House in about a week's time. There have been some delays, but it will be within two week's time unless something unusual happens.

* * *

CONFLICT OF INTEREST

REFERENCE OF SUBJECT MATTER TO COMMITTEE—SUGGESTED INCLUSION OF INCIDENT INVOLVING MINISTER OF REGIONAL ECONOMIC EXPANSION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is for the government House leader. In view of the fact the minister seemed to shadow box with the Leader of the Opposition yesterday with regard to reference of the general question of conflict of interest to a committee, has the minister had a chance to discuss with his colleagues, the Minister of Communications and the Secretary of State, a more particular reference involving the Minister of Regional Economic Expansion and a possible conflict of interest there so this matter can be clarified?

Hon. Mitchell Sharp (President of Privy Council): Mr. Speaker, as members of the House will see, I have given notice to the table of a reference of the question of conflict of interest in which members will be invited to first look at the green paper that I tabled today and make recommendations on it so that we have a foundation. Once they have completed that, they can deal with the subject matter of ministers and conflict of interest, and public servants and conflict of interest. This question can be discussed in committee providing, of course, the committee wants to deal with members of parliament as a whole before dealing with special members of parliament who are cabinet ministers.

● (1450)

EMPLOYMENT OF MR. JOEL BELL AS CONSULTANT IN PRIME MINISTER'S OFFICE—POSSIBLE CONFLICT WITH OTHER EMPLOYERS' INTERESTS

Mr. James A. McGrath (St. John's East): Would the Prime Minister tell the House whether or not Mr. Joel Bell who, according to the press, has been hired by the Prime Minister's office as a $1,000 a week consultant, has in fact other employers or other clients and whether or not Mr. Bell will be incorporated into the Prime Minister's office as a public servant in view of a possible conflict of interest?

Right Hon. P. E. Trudeau (Prime Minister): As to the first part of the question, I do know that Mr. Bell is working in the Prime Minister's office. I do not know under what terms or under what arrangements. I will inquire. I will inquire, also, whether he has any other occupations. From then on, we shall see whether the second question is a hypothetical one—whether it has any foundation.

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HOUSE OF COMMONS

ALLEGED REORGANIZATION OF PRIME MINISTER'S OFFICE—POSSIBLE INCREASE IN STAFF OR CHANGE IN ROLE OF OFFICE

Mr. James A. McGrath (St. John's East): Would the Prime Minister tell the House whether the current reorganization of his office will result in an increase in the staff and whether or not his office will now assume a new policy role outside that which is traditional under our parliamentary system, that of the Privy Council or the cabinet?

Right Hon. P. E. Trudeau (Prime Minister): As to the second part of the question, the answer is no. As to the first part of the question, I can tell the hon. member that there is no reorganization currently going on. As to the numbers of staff involved, the hon. member will get that information from the estimates.

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ENERGY

POSSIBLE ESTABLISHMENT OF ENRICHED URANIUM PLANT IN JAMES BAY AREA—CONSULTATION WITH QUEBEC ON EXPORT OF PRODUCT

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is to the Prime Minister. In view of the fact that uranium may be exported only if a permit is issued by the Atomic Energy Control Board, and bearing in mind the right hon. gentleman's remarks on the subject while he was in Paris, is the Prime Minister aware of any discussions which will be taking place next week in Paris between the premier of Quebec and the premier of France with regard to the establishment of an enriched uranium plant in the James Bay area? Can he tell us whether there have been any preliminary discussions between the federal government or any of its agencies and the Province of Quebec with respect to the export of the product of such a plant?

Right Hon. P. E. Trudeau (Prime Minister): I do not know with whom the premier will be speaking but I am fairly certain he will be dealing with the subject of the hon. member's question. I believe I made the posture of the Canadian government quite clear when I was speaking to the French authorities, not only with regard to export but with regard to other aspects which concern us. At that time we set up a task force on energy whose purpose was to continue informing the French about the federal position. I believe they held a meeting some days ago to inform the French of our position.

As far as discussions with Quebec are concerned, I cannot speak for other levels of the cabinet or of the civil service, but I personally spoke to the premier of Quebec and reminded him of our position on these matters.

EXPORT OF FISSIONABLE MATERIAL—REQUEST FOR POLICY STATEMENT ON SAFEGUARDS

Mr. Stuart Leggatt (New Westminster): My question, too, is directed to the Prime Minister. Would the Prime Minister tell us when the House will be advised concerning the nuclear safeguard policy which apparently has been considered by the cabinet. It would seem we are now holding up 12 uranium contracts pending a report by the cabinet to this House. Can the right hon. gentleman tell us when we can expect to find out whether Canada is to continue to sell Candu reactors abroad and continue to export uranium or not? There are a great many people in this country who would like to know.

Right Hon. P. E. Trudeau (Prime Minister): It is true that following the nuclear explosion in India the government decided to increase the safeguards which are related to the export of fissionable material. It is my impression that this decision was made known in a public statement. I will check where and when it was made. But whether it was made public or not, it is the policy of the federal government to increase the stringency of the safeguards and the matter is again before cabinet at the present time. If no statement has been made I shall ensure that a statement is made in due course so that the country and the world may know what our policies are in this regard.

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CONFLICT OF INTEREST

INQUIRY AS TO GUIDELINES IN EFFECT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Prime Minister. It arises out of his comment concerning my point of order with regard to starred question 788. As that question dealt with conflict of interest and was really a summation of the high points of Prime Minister Pearson's guidelines for his cabinet given on November 30, 1964, could the Prime Minister tell us, now that he says that his guidelines are confined simply to the statement of July 18 and September 18, whether we are correct in assuming that those guidelines, which are much narrower than Prime Minister Pearson's, are now the guidelines in effect?

Right Hon. P. E. Trudeau (Prime Minister): I would have to refer to the text of my statement in the House, but my recollection is that rather than departing from Mr. Pearson's guidelines I based my statement on those guidelines—that, indeed, I gave more precision and more depth to the guidelines he had established; I believe the latter were more general in some instances, while applying to particular cases in others. The difference is, of course, that ministers are now under a specific obligation to declare

their holdings. This is certainly something which was not required under previous governments.

Some hon. Members: A supplementary question!

Mr. Speaker: Order. Earlier today the President of Privy Council tabled a green paper pertaining to conflict of interest with the intention, at least as disclosed in his remarks, that the matter should be referred to a standing committee. Such an order has not, of course, yet been made by the House, and in these circumstances it would be improper to discourage any questions relating to these guidelines. However, if an order of reference is to be made to the standing committee, once the matter is before a standing committee it ought not to be the subject of questions here.

DATE OF REFERENCE OF SUBJECT MATTER TO COMMITTEE

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question on that very point. Can the President of Privy Council now give us a date on which this reference will be moved? Can he tell us, for example, whether the reference will be moved on Monday next? Or is he still sticking to the position he put forward yesterday that the reference might be moved some time hence, perhaps some months hence, after the House had dealt with other matters which the President of Privy Council considers to be of even greater urgency?

Hon. Mitchell Sharp (President of Privy Council): Mr. Speaker, I do not think it is the President of Privy Council who would consider these other matters to be of greater importance. I think it would be the people of eastern Canada where he happens to live. I believe it is important that there should not be a lapsing of the authority we presently have for the payment of a subsidy affecting eastern Canada to ensure that the price of oil is maintained at a stable level throughout the country.

Some hon. Members: Hear, hear!

Mr. Stanfield: As Leader of the Opposition, and on behalf of my hon. friends in the House, I again tender to the President of Privy Council one of the allotted days assigned to us. If the hon. gentleman could begin, I invite him to screw his courage up to the sticking point and put this reference before the House.

Mr. Sharp: Mr. Speaker, I assure the Leader of the Opposition that I accept his offer. My concern is that the time allotted to the Conservative Party might have been used for other purposes and that we would have to devote other time to discussion of the question of conflict of interest. However, if the hon. gentleman is ready, now, to give up another day—one has already been moved ahead—I would be happy to accept it.

Mr. Baldwin: No days have been given up!

SUGGESTED BROADENING OF DECLARATION OF INTEREST

Mr. Sinclair Stevens (York-Simcoe): In the interim, would the Prime Minister tell us whether consideration has been given to making the declaration more meaningful? For example, rather than providing that a frozen trust should simply be disclosed, at least show who the trustee is, and in the case, for example, of a 30 per cent interest in a private company, require the minister to show who owns the other 70 per cent, and what interests that private corporation, in turn, controls.

Right Hon. P. E. Trudeau (Prime Minister): I think these are suggestions which are worthwhile. They are precisely the type of matters which should be discussed in the committee. The opposition seems to forget the point that, in addressing myself to this matter in my statement to the opposition of a year ago, I said all ministers were members of one or the other Houses. We will, of course, as a matter of fact be bound by whatever guidelines the House wants to impose on its members or on their spouses. What the cabinet has done has been to adopt guidelines which we think go considerably further than those that hon. members will want to adopt for themselves.

● (1500)

Some hon. Members: Oh, oh!

Mr. Trudeau: Well, Mr. Speaker, we shall see. But when I was speaking about the guidelines relating to ministers I made the statement that this subject would be brought back after we saw the guidelines relating to members, and it might be that we would have to modify them to bring them more into conformity with what members decide to adopt for themselves.

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EXTERNAL AFFAIRS

ETHIOPIA—SUGGESTION CANADA MAKE EFFORT TO STOP EXECUTIONS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Will the secretary of state advise the ambassador of Ethopia that Canadians are appalled by the summary executions which have taken place in that country, including the execution of the international president of the YMCA, and will the minister tell the House what efforts he is making personally to prevent the execution of the former emperor, which should be stopped if for no other humanitarian reason than that he is a very old and courageous man?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I was shocked, as I am sure hon. members were, by developments in Ethiopia, particularly the further projected executions that are being contemplated. I have instructed the officers of the department, in my name and in the name of the Canadian government, to send a message to the powers that be in Ethiopia asking them to exercise restraint and to hold off any further executions.

RELIGIOUS PERSECUTION IN CHAD—REQUEST THAT REPORT OF CIDA BE REFERRED TO STANDING COMMITTEE

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is also addressed to the Secretary of State for External Affairs. In view of reports reaching Canada that there is a wave of religious persecution in Chad which may affect the future of our aid projects in that country, notably our food aid distribution program in the Sahel, would the minister agree to have the report of CIDA referred to the Standing Committee on External Affairs and National Defence so that these and related matters might be examined to the full?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for his suggestion and I will certainly give it consideration at an early date.

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TRANSPORT

RAILWAY BRANCH LINE ABANDONMENT—SUGGESTED EXTENSION OF FREEZE—CONSULTATION WITH PROVINCES ON FORMULA FOR COMPENSATION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I should like to raise another freeze with the Minister of Transport. Is it the intention of the government to allow the freeze on railway branch line abandonment to expire at the end of December, or is it the intention to extend the freeze? If not, have any criteria been arrived at as to which, if any, branch lines are to be abandoned?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, as far as branch lines are concerned, I hope the decision will be made this week.

Mr. Benjamin: A supplementary question, Mr. Speaker. Is it the minister's intention to live up to the commitment made by the Minister of Justice that no branch line will be abandoned without the prior concurrence of the province concerned? In addition, has he or his department arrived at any agreement with the provinces on the formula for compensation to municipalities, departments of highways, farmers and so on, for the extra costs involved for them?

Mr. Marchand (Langelier): Mr. Speaker, I am sure the hon. member would prefer to have an answer from the Minister of Justice himself.

Mr. Benjamin: As my final supplementary question, Mr. Speaker, I ask the minister again whether he will agree to maintain the freeze both on freight rates and on branch line abandonment until such time as the costing information has been provided by the railways regarding freight rates, and until such time as the provinces concerned have reached agreement with the government on the abandonment of any branch lines?

Mr. Marchand (Langelier): Mr. Speaker, as far as the second part of the question is concerned, I still believe that the Minister of Justice should answer that. As far as the first part of the question is concerned, I do not think we should change the decision. I think there is a lot of misinterpretation concerning the lifting of the freeze. The west was complaining, and justly most of the time, of the inequities, anomalies, long haul and short haul rates and so on, but these anomalies were not related to the freeze at all. Therefore, I think it would be misleading the public to say that in maintaining the freeze we would correct such situations; these are going to be corrected in co-operation with the ministers of transport in the west.

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[Translation]

HOUSING

AVAILABILITY OF FIVE HUNDRED DOLLAR GRANT FOR RENOVATIONS

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to put a question to the Minister of Finance.

Since repairs to a house are sometimes more or at least no less costly than the construction of a new one, has the minister thought of granting the $500 rebate to owners of that category?

Hon. John N. Turner (Minister of Finance): I shall be able to deal with the matter when the House studies the bill, Mr. Speaker.

* * *

[English]

TRADE

SUGAR—POSSIBLE CHANGE IN TRADING PATTERNS TO REDUCE PRICE

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the fact that the agriculture secretary of the United States has recommended that the U.S. resume trading with Cuba to reduce the soaring price of sugar, does the minister foresee any changes in trading patterns in sugar for this country which would be helpful in bringing down the price of sugar to our consumers?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, Canada's trading patterns with Cuba in particular have already changed very dramatically. I think last year something like 47,000 tons were imported by Canadian companies from Cuba. This year I think the estimate is very close to 97,000 tons.

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AGRICULTURE

SUGAR BEETS—POSSIBLE RE-ESTABLISHMENT OF INDUSTRY

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, since that is quite a small percentage may I address a supplementary question to the Minister of Agriculture, who told me in reply to a question some time ago that he would interest his cabinet colleagues in the question of re-establishing the sugar beet industry in southwestern Ontario, so that if the price of sugar remained at the present level, at least some of these funds could be left in

this country to help the economy in his and in my particular district. Could we have a report on the minister's progress in this regard?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we still have ongoing meetings, and as I have said a paper is being prepared for my colleagues in government.

EGGS—DISAGREEMENT AMONG PROVINCES ON RECOMMENDATIONS ON MARKETING—POSSIBILITY OF FURTHER MEETING OF PROVINCIAL MINISTERS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is also directed to the Minister of Agriculture. It arises out of the meeting of provincial ministers of agriculture on November 25 in connection with the Canadian Egg Marketing Agency and the recommendations that have been presented. It is to be noted that the recommendations that were adopted were passed on division. Could the Minister of Agriculture advise the House which provinces agreed and which provinces did not agree to the recommendations that have been submitted?

Hon. E. F. Whelan (Minister of Agriculture): It was a voice vote and was not recorded, Mr. Speaker.

Mr. Mazankowski: A supplementary question, Mr. Speaker. Inasmuch as the success of CEMA is dependent upon the total co-operation and support of all the provinces, and in view of the fact that the chairman of CEMA has some very grave reservations about the recommendations that have been put forth, would the Minister of Agriculture now see fit to summon the ministers of agriculture together again for another meeting in order that some better understanding and consensus might be arrived at?

Mr. Whelan: Mr. Speaker, the opinion of the provincial ministers at the meeting was that they would wait until the parliamentary committee submitted its report. If the committee should happen to recommend any great changes and it was necessary to change legislation, then before the changes were put through the parliament of Canada we would summon the ministers.

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[*Translation*]

IMMIGRATION

HAITIANS—POSITION OF THOSE WHO REMAIN IN CANADA ILLEGALLY

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I have a question for the Minister of Manpower and Immigration.

Could he tell the House what were his findings and what conclusions he reached as a result of the conversation he had on the 21st with Father Déjean, responsible for the Christian Community of Haitians and, in particular, could he tell us whether he is prepared to give specific instructions to the special attorney representing his department before the appeal board when these deportation orders are being considered, in order that the Public Prosecutor leave the whole decision to the appeal board and refrain from any representation?

● (1510)

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the law requires that this judgment be made by the immigration appeal board. As I have stated on many occasions, the immigration appeal board has the authority to exercise its jurisdiction beyond the decision about the legality or otherwise of any deportation order for any person to which one would be applied, in terms of humanitarian and compassionate grounds or on the occasion of unusual hardship. The board has exercised that kind of jurisdiction and made that kind of decision in the past and it will continue to do so in these particular cases. Our departmental representation before the board is on the basis of upholding the legality of the deportation order, or speaking in the odd case of absolutely frivolous claims to justification for a compassionate or humanitarian decision within the Board's jurisdiction. However, it is the jurisdiction of the board that must be exercised and there is no discriminatory power lodged in me or any member of the government and that is the condition that will prevail.

[*Translation*]

Mr. Wagner: Mr. Speaker, I note that the minister has failed to answer the first part of my supplementary. He may like to do it when answering the supplementary question which I am about to ask.

Following the evidence submitted by Father Déjean, is the minister now satisfied? As shown by two examples during recent weeks, it is extremely dangerous for those deported Haitians to return to their country and on the other hand, even if the deportation order were not enforceable or enforced, it follows that hundreds of Haitians are compelled to live clandestinely with all the human, economic and social effects to which it gives rise.

[*English*]

Mr. Andras: Mr. Speaker, I had a discussion with Father Déjean last Thursday for two or three hours. I found it informative and interesting, and I indeed expressed to him, as I have expressed in this House, a very deep concern for every individual involved in this situation, as would be the case with anybody who has faced a similar situation, whether they came from Haiti or otherwise. Frankly, Father Déjean did not present to me proof in the sense that the hon. member is implying, or as the words the hon. member used would suggest. I listened to his presentation and would still come to the conclusion that there has to be an individual decision made in each of these cases. That power is vested in the board. We are condident that the board will exercise its jurisdiction and will be able to make a decision as between which case is meritorious on the ground of possible reprisal in the country from whence they came and which are cases of economic migration, which is very distinctly possible in the case of Haitians and others. So, frankly there has not been a change in our position on this matter.

Oral Questions

ENVIRONMENTAL AFFAIRS

SUGGESTION FEDERAL GOVERNMENT SUBSIDIZE SEWAGE TREATMENT PLANTS FOR THE PRODUCTION OF FERTILIZER—GOVERNMENT POSITION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Minister of the Environment regarding statements made in the budget that there is a shortage and a high cost in respect of fertilizer in Canada. Can the minister advise this House whether she has any plans to bring in legislation to allow the federal government to subsidize sewage treatment plants across Canada in order that Canada can produce fertilizer through these tertiary treatment plants and thus make sure we have a high supply of fertilizer at low cost?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, there is already a federal government program of which the municipalities can take advantage for the treatment of sewage waters. Any province can take advantage of it.

Mr. Reynolds: As the minister must know, Mr. Speaker, this legislation does not require the municipality to have tertiary treatment plants, but only supplies money for treatment plants. Will the minister bring in legislation requiring tertiary treatment plants so that we will have fertilizer from the sewage plants and then Canada will have lots of fertilizer at low cost?

Mrs. Sauvé: Mr. Speaker, the question is a little bit involved and several departments might be required to look at this.

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HOUSING

AVAILABILITY OF FIVE HUNDRED DOLLAR GRANT FOR CO-OPERATIVE HOUSING

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, in view of the statement by the Economic Council of Canada in its 11th annual report to the effect that low income families face a very serious housing crisis in this country, and in view of the fact that the predecessor of the minister responsible for housing when introducing the major housing bill at the last session of parliament indicated that co-op housing offered the best opportunity of alleviating the housing problem for low income families, would the minister explain to the House why this discrimination exists against purchasers of co-op housing in respect of the $500 first purchase grant?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, there is certainly not a discrimination against co-op housing. As a matter of fact, I give it very high priority, but I do not consider it the one answer to the housing problem, but one in which I am particularly interested. I think the hon. member should bear in mind that there is 100 per cent financing plus a 10 per cent grant. This is to help people make a downpayment. We are not only helping the people make a downpayment, but giving them 10 per cent on top of that to buy the land. If there is not enough money in the new legislation as a result of the 10 per cent for land in high cost areas, we are going to make that even easier for them.

[Mr. Andras.]

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NATIONAL DEFENCE

DEFENCE RESEARCH ESTABLISHMENT, ESQUIMALT—POSSIBLE CLOSING

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I have given notice of my question to the Minister of National Defence. As part of the minister's reduction of the armed forces is he planning to close out the defence research establishment facilities with the loss of jobs for 39 scientists and 80 other staff?

Hon. James Richardson (Minister of National Defence): No, Mr. Speaker, there are no current plans to reduce the level of activity at the defence research establishment at Esquimalt.

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IMMIGRATION

APPLICATION OF KAMINSKI FAMILY FOR REFUGEE STATUS—GOVERNMENT POSITION

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of Manpower and Immigration and relates to the Kaminski family which has applied for political asylum in Canada. Has the minister examined this particular case and has he made a decision on the merits?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the Kaminski family has now applied to remain in Canada as refugees, and this will be given full and serious consideration. I am not in a position yet to indicate to the House a decision because all the information has not yet been made available to me.

* * *

FINANCE

PROPOSAL THAT OPEC COUNTRIES LEND MONEY TO INTERNATIONAL MONETARY FUND

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Finance. In view of the extremely serious world situation arising out of the enormous monetary balance held by the OPEC countries, can the minister tell the House what success the committee, of which he is the chairman, of the International Monetary Fund has had in getting these countries to lend their money to the International Monetary Fund or any other world bank?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, some progress is being made on a number of fronts and I will be in Washington on Friday talking to the managing director of the International Monetary Fund and the Secretary of the Treasury of the United States.

REGIONAL ECONOMIC EXPANSION

NOVA SCOTIA—DATE OF COMMENCEMENT OF OPERATIONS AND OBJECTIVES OF METROPOLITAN AREA GROWTH INVESTMENTS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, without having had a supplementary question I should like to pursue a point I was making with the Minister of Regional Economic Expansion when orders of the day were called yesterday. He indicated that a search is still underway for a chief executive officer for this very important Crown agency, the Metropolitan Area Growth Investments, under his jurisdiction in Nova Scotia. Because of the great delays that have plagued this project over two years, can the minister now say with some precision whether a target date has been set when this agency will in fact be operating, and whether under the circumstances its terms of reference and objects are still the same as they were when enabling legislation was passed in 1972? May I say very briefly that I do not believe the minister is the one responsible. I lay the blame at the door of the Premier of Nova Scotia.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I will not comment on the last part of the question other than to say we are at the moment in complete accord as to how we are going to proceed. The objectives remain the same, and what we have now agreed upon is a technique for searching. Earlier this was done through one of the professional placement agencies and did not prove to be a very successful way of going about it. I was serious when I mentioned to the hon. member yesterday what we are doing. A number of nominations are coming in from a variety of sources, and we are looking these over in the hope of finding somebody who will be mutually agreeable and who will also at the same time be competent in terms of these objectives to which the hon. member refers.

● (1520)

Mr. Speaker: The hon. member for Dartmouth-Halifax East on a supplementary.

METROPOLITAN AREA GROWTH INVESTMENTS, NOVA SCOTIA—USE OF FUNDS IN ACCOUNT

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I apologize for taking the time of the House but since the minister is in an expansive mood with regard to MAGI I wonder whether he will indicate to the people of Nova Scotia and to the Canadian taxpayers to what use the money is to be put that was placed in that account over the years by the federal authority?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I can only assume, without asking a specific question on this matter, that it is in the Consolidated Revenue Fund, but I shall be glad to make an inquiry and find out.

Mr. Speaker: The hon. member for Medicine Hat.

Business of the House

Mr. Hargrave: Mr. Speaker, my question was for the President of the Treasury Board but I see he has left the House.

Mr. Speaker: Orders of the day.

* * *

BUSINESS OF THE HOUSE

Mr. Baldwin: I rise on a point of order, Mr. Speaker. As today will see the conclusion of the budget debate, unfortunately leaving the budget in the same position after the debate as when it started, I should like to ask the government House leader, following our question and answer of last Thursday, what business the government will be proceeding with tomorrow, the next day and the beginning of next week.

Mr. Sharp: Mr. Speaker, following the conclusion of the budget debate we will call legislation in the following order: Bill C-14, the Federal Business Development Bank bill; Bill C-15, the Indian Oil and gas bill; Bill C-18, the fire losses replacement account bill; Bill S-13, the Alberta-British Columbia boundary bill; and Bill C-25, the environmental contaminants bill.

As soon as the consequent bills are ready, we shall seek concurrence in the notices of Ways and Means with regard to the Customs Tariff and to the Excise Tax Act and I would, therefore, in accordance with Standing Order 60, ask the designation of Orders of the Day to facilitate this.

On Monday, December 2, we shall call bill C-36, the representation bill.

We shall commence consideration of the two budget bills just mentioned on Wednesday, December 4.

Tuesday, December 3 and Tuesday, December 10 shall be allotted days pursuant to Standing Order 58. As I mentioned earlier, the opposition House leaders had informed me some time ago of their willingness to transfer one allotted day from the present supply period to the next one and I suggest that we now make it an order that there be four allotted days pursuant to Standing Order 58 in the supply period ending December 10, 1974 and that there be eight such days in the supply period ending March 26, 1975.

Mr. Speaker: Is the House agreed and is it so ordered?

Mr. Baldwin: In respect of that last particular proposal of the government House leader, I wonder whether we might have further discussion out of which may emerge a committee reference which hon. members of the House seem to keenly desire, namely the question of the debate on the conflict of interest rules. Then, perhaps the government House leader, other House leaders and myself might work out a suitable date to take into account the question of opposition days at the same time.

Mr. Sharp: Mr. Speaker, I am quite willing to hold that part of my recommendation. Therefore, it is only the designation of the Orders of the Day to deal with the Ways and Means motions that I suggest at this time.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, since the President of the Privy Council has been giving a forecast of House business which runs into two or three weeks, I wonder whether he could indicate to the House when the bill will be presented which has been referred to several times by the Minister of Transport, and which should be dealt with quickly, concerning a requirement that the railways disclose their freight cost structures?

I wonder also if he could tell us when the Minister of Veterans Affairs will be presenting the bill to implement the unanimous recommendation of the Standing Committee on Veterans Affairs having to do with Hong Kong veterans?

Mr. Sharp: Mr. Speaker, I thank the House leader of the New Democratic Party for his representation and I will try to obtain answers for him as quickly as possible.

Mr. Benjamin: Mr. Speaker, if I may have your indulgence before you call Orders of the Day, when I asked the Minister of Transport if he could advise whether the government would live up to the commitment of the Minister of Justice that no railway branch lines would be abandoned without the concurrence of the province concerned, the Minister of Transport said that he thought the Minister of Justice should answer that question. I wonder whether you would allow the Minister of Justice to answer it?

Mr. Speaker: Order, please. In accordance with the request of the President of the Privy Council I so designate the day named by him for consideration of the Ways and Means motion.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I trust I shall be forgiven for raising a brief point of order. I do so on the basis of certain discussions which have taken place. There having been two recorded votes with regard to the budget I think Your Honour will find there is general agreement that the debate itself can end on a voice vote and therefore that we could use the extra 15 minutes to get in one more speech.

I therefore suggest, if it is the will of the House, that the debate end today not at 5.45 as provided by paragraph (8) of Standing Order 60 but at six o'clock.

Mr. Speaker: If it is so agreed, and members are so disposed, it should be so ordered at this time so that there can be no doubt about it. Is it so ordered?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Tuesday, November 26, consideration of the motion of Mr. Turner (Ottawa-Carleton) that this House approves in general the budgetary policy of the government.

[Mr. Sharp.]

Mrs. Ursula Appolloni (York South): Mr. Speaker, with your indulgence I should like to correct an error in my speech of last night as reported in *Hansard*. It occurred just before the adjournment debate was called. With your indulgence, sir, I will repeat the sentence as it should read. In speaking about the proceedings at the United Nations, I said: "Canada, too, wants peace and strives daily for justice for all. I hope and pray that both can be achieved, and hope that this government of which I am a loyal supporter will continue its efforts and in no way deviate from its path of traditional friendship toward Israel."

Mr. Speaker, at one time in my career I was a member of the air force. There I received training second to none, combined with a sense of duty and discipline which stood me in good stead throughout the following period of my life. May I now take this opportunity to express my deepest admiration for the work done by our armed forces, not only in defending Canada's sovereignty but, more especially, in the peacekeeping activities abroad where they become, for those of us at home, veritable ambassadors of goodwill and political stability. But apart from the other, more widely known roles of our national defence forces, I feel it is incumbent on us all to remind ourselves that the armed forces also provide perhaps the best training school we have in this country. Is it generally known, for instance, that many of our commercial pilots, doctors, engineers, nurses and even tradesmen such as butchers, clerks, cooks, and a long list of others, received their training in the armed forces? And what of our children? I know of few better ways of instilling in them a love of country, dedication to duty, purpose in life and broadening of interests than in the cadet movement.

Mr. Speaker, when I filed my nomination papers during the recent election campaign I gave as my profession that of housewife. I was recently asked what particular qualifications were needed for that profession, and I replied, "A lot of good common sense and patience". The budgets I prepared as a housewife can hardly be compared with those presented here, but there is at least one common denominator: we both had to list our priorities. In this respect, I hope that the Minister of National Health and Welfare (Mr. Lalonde), when setting his priorities, will give a high rating to medical research. Long before coming to this country I had read with great admiration of the work of two Canadian researchers. Diabetics throughout the world now owe their very lives to the studies and efforts of Dr. Banting and Dr. Best. Remarkable progress has been made in medicine and I hope that Canada will continue to promote studies to cure or, better still, to prevent the diseases which still plague mankind.

● (1530)

We have often been reminded that Canada is not one of the big powers. If power is measured by physical might and the quantity of *Bellicose* weapons we possess, then I hope we will never become one of the big powers. I believe, though, that we should broaden our understanding of this word. I believe that power can mean influence for the common good. I believe that by scrupulously following our moral obligations we are fast becoming not a

big power but a great one. We live in an affluent society, yet there are several countries in this world which hunger not for power but for their daily bread. While most of our children eat their fill and pursue their dreams, theirs are condemned to malnutrition and early death from famine.

As a Canadian, I was proud when at the recent food conference in Rome our country took the lead. Instead of uttering pious platitudes we put forward constructive action. Nor will we now be complacent about this action. Our Minister of Finance (Mr. Turner) urges us to put aside narrow self-interest and respond generously to the needs of weaker nations. I hope we will all rise to the challenge. If future generations are ever to accuse this parliament of fairness and humanity, I hope they will find ample evidence on which to convict us. The Minister of Finance will probably be criticized by some for not giving enough. Oliver Twist asked for more because he was in genuine need, and therefore no one can honestly blame him. But in our society there are others who ask for more and still more, and here we must be careful to distinguish between need and greed.

I have the greatest admiration for the frankness of the Minister of Finance. Like all of us, he has his ideals, but above all he is a realist. Of course, he would like to offer more, but I firmly believe that the time has come when we must put an end to the fiction that bigger and better programs are paid for by somebody else. There are those who demand, and once they receive they demand more. For those we could, perhaps, carry a statutory warning on every program which would read, "This package is hazardous to your economic health". The Canadian public is wary, and justly so, of those who would offer more goodies than the Sugarplum Fairy herself but at the same time carefully hide the price-tag; because Canadians know that whatever kind of tax system we have, in the final analysis all taxes are paid by the individual taxpayer in one way or another.

Like the Minister of Finance I, too, am confident that by working together at home and abroad we can overcome our difficulties. I feel that this can best be achieved, not by confrontation but by much more dialogue and more education. There have been heavy increases in the price of food and other basic commodities, and the consumer, with a certain sense of hopelessness and frustration, has often hit out at the apparent cause without pausing to wonder whether the attack was justified and, more important, whether the object of the helpless anger was indeed really the guilty party. No one will deny the producer a just and equitable reward. The operations of the Food Prices Review Board have gone a long way toward informing the consumer of the difficulties and uncertainties faced by the producer. But the consumer needs to know very much more than this. We must know how many middlemen there are between the farm gate and the consumer's table. Are they all necessary? Whom are we paying for what? How much do we pay for their services? Do their services always work in the interests of the consumer?

My personal experience in this area leads me to believe that there may well be erroneous assumption when it comes to consumer reaction and buyer attraction. Not too long ago I heard an advertising executive express the opinion that the average housewife would not buy a certain brand of cereal unless it were packaged in a colourful box. Mr. Speaker, I can assure you that so long as the cereal is nutritious and reasonably priced, the average housewife will look for her colour at the breakfast table in the natural hues of fruit juice, eggs, and so on, rather than in the more costly production of a multicoloured rooster.

I have already mentioned the advertising media with particular reference to the consumer. I would like to add that in few walks of life can we find the wealth of imagination, creative genius and even power that we find in the advertising media. Because of their power, especially as regards our children and the less sophisticated members of our society, I believe they have a very real responsibility toward our society and the consumer in general. To be more simplistic, I believe that when they teach us to buy they should also tell us why, and their reasons must be as responsible and as honest as their efforts to sell. To take one example, I believe it is morally wrong and highly irresponsible for anyone to try to persuade a young, naive consumer that his or her love-life will dramatically improve if he or she will only use a particular brand of toothpaste or a yucky shampoo. Most of us are well aware that if one does not already have a satisfactory love-life, no toothpaste or shampoo in the world will provide one with it. I would hope, in the interests of future family life in Canada, that our young people would choose their partners on more fundamental and honest criteria than that.

What of the radio announcement which warned us to have our television sets checked now, even though there is nothing wrong with them, instead of next year when prices go up? If we are now asked to have regular check-ups even for our appliances, then all we will end up with will probably be less spending money for other, more necessary items and we may even run the risk of owning a neurotic television set! I believe that this kind of thinking will in turn only lead to inflationary psychosis.

Inflation is a problem which cannot be faced by government alone: it is a battle in which we must all do our share. I believe that the Minister of Finance has made an excellent evaluation in setting his priorities and I feel that we should now do likewise.

Some hon. Members: Hear, hear!

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, one should commend hon. members who rise in the House for the first time to address their colleagues and the Canadian people and demonstrate great concern for people in their speeches, as evidenced by the distinguished and honourable new member for York South (Mrs. Appolloni). I am not an economist and I know very little about budgets, but I wish some members on the other side would, in terms of priority, let us get on with the bill for which we are all waiting. I wanted, in the limited time available to me this afternoon, to attempt in a historical sense to talk about national defence. I welcome the comments of the hon. member for York South (Mrs. Appolloni) in this regard. Also, Mr. Speaker, I want to do something I have never done in this House, and that is to read a speech. I can read faster than I can talk, and I am less likely to be led astray.

● (1540)

There are a number of factors emerging in the current debate with respect to defence spending that I believe require the closest scrutiny of Canadians. For some years now I have had the curious feeling that a direction for the Canadian Forces has been set, procedures laid down and ends to be attained, that has not had cabinet approval nor an adequate input from Canadians generally, let alone the House of Commons. From a standing volunteer force of some 125,000 about ten years ago, we have—with no reduction of agreed defence roles—seen the forces run down to the present level of less than 80,000.

After the Second World War the forces were initially established at approximately 50,000 men and women. For a country which at that time ranked as the fourth power in the world, one which was firmly committed to support of the United Nations and one that heavily depended on foreign trade, this level of military strength was low; indeed, it was considerably short of what our senior military people at the time deemed responsible or prudent. Nevertheless, 1947 saw total forces strength drop to approximately 35,000 at a time when the then secretary of state for external affairs saw fit to be highly critical of the United Nations Security Council, claiming it had become "frozen in futility". The then secretary of state also stated as a guiding principle that there was "need to accept responsibilities in the same way in peace as in war". In the same year, Prime Minister Mackenzie King was widely acclaimed for initiative in establishing the charter for the North Atlantic Treaty.

The point is, Mr. Speaker, that from such actions and pronouncements of those most responsible for our external affairs, the people of Canada were led to believe we were prepared to back up words with action. The harsh reality of the outbreak of the Korean war on June 25, 1950, soon proved this assumption to be false. With the call for help to Korea on June 27, 1950, we were, fortunately, able to immediately dispatch from our small standing force a three-destroyer unit. However, with respect to the primary requirement for ground forces we were out in left field. We underwent the time-consuming and agonizing process of recruiting some 10,000 personnel and forming the 25th Infantry Brigade. This was a task that took much longer than our allies in that theatre would have wished, and a lot longer than was necessary or would have been taken if defence planning realistically had been tailored to external policy and the reality of the world around us.

The 25th Infantry Brigade was not in a position directly to contribute until February 19, 1951—this in spite of the fact that we were able to attract a large number of World War II veterans who were still competent in their military skills. As well, we still had an arsenal of conventional weapons and supporting equipment which was suited to the type of action involved; a situation which, of course, meant that rearming time was relatively short. Nevertheless, it took an embarrassing amount of time to respond to the call.

This leads me to my first general observation. With a force of 50,000 in 1950 we were not able to respond adequately to a plea for help, even with the relatively unsophisticated weapons and delivery systems of those days. How can we expect to respond today, in a timely fashion that might involve us in hostility or combat with a higher level of sophistication, with the weapons and armed delivery systems which we have? Since 1950 Canada has been assuming responsibility for an increasing number of sophisticated defence tasks. This means that an increasing percentage of our military personnel can be expected to be trained for support rather than for front-line roles. It follows that availability of front-line trained personnel out of the purported 80,000 men and women is unlikely to be much better now than was the case in 1950.

Another area of concern relates to equipment. In all too many cases we are still using fighting equipment that was available in World War II and the Korean war days. Why have we not replaced this equipment? Certainly, Mr. Speaker, we have had plenty of assurances during the past several years that our forces equipment would be modernized. However, these patronizing assurances always seem to have the same result: a further rundown in personnel, no new equipment, and more assurances that with further reorganization and cutbacks all traditional, plus new commitments will be met because money saved through resultant efficiency will be available to buy new equipment.

We know what happened. The traditional opposition approach, when there is reason to suspect serious mishandling of defence matters, is to resort to what might be called the numbers game; that is, attempting to judge the relative merits and costs in terms of dollars and personnel with respect to re-equipment and modernization. This has proved to be a useful technique but, strangely enough, I have been rather more inclined in recent months to question seriously the intentions of the Prime Minister (Mr. Trudeau) in this respect. I am pleased to see him in the chamber. I question his intentions for the armed forces today and in the future. I think it is in this direction that Canadians will find some, if not all, of the answers.

Liberal prime ministers during this century, with perhaps one qualified exception, have displayed consistent lack of appreciation of the relationship of national sovereignty and defence responsibility. Prior to World War I, Laurier consistently sought national autonomy while avoiding defence commitments outside Canada's borders. Borden, on the other hand, took an opposite approach while being equally concerned with autonomy. Borden freely accepted defence commitments and consequently was able, primarily because of the magnificent performance in battle of our soldiers, to demand—not beg—a strong, independent voice in international affairs.

Later, in the mid-1930s, under somewhat similar circumstances, Mackenzie King significantly added to the Liberal tradition of an inward-looking if not irresponsible attitude toward defence. With war clouds ominously gathering over Europe, he made it perfectly clear that he did not want Canada to have any related defence commitments. He was agreeable to having armament industrial business for Canada so long as there was no associated Canadian government responsibility for administering contracts. In 1936, when his defence minister proved so unwise as to support a military recommendation for a $200 million, five-year program, Mr. King expressed his displeasure so vehemently that the defence minister dropped his request.

By this time an aroused public, obviously made of more responsible stuff than the Liberal government of the day, forced an about-face attitude toward participation. The country was, as might have been expected, militarily unprepared. But, thanks to the extra time provided by the somewhat "on again, off again" philosophy early in World War I, our national embarrassment with respect to preparedness was reduced to some extent. Canada was again portrayed as a clearly autonomous and responsible entity in the eyes of the world.

In 1950, albeit forced by an alerted opposition and an aroused public over readiness to meet the Korean difficulty, the then prime minister, Right Hon. Louis St. Laurent, took action that appeared to break tradition with Liberal attitudes toward defence. Instead of the standard pattern of isolationist, inward-looking policies of the past, defence forces were built up toward a more responsible status. Defence watchers were encouraged to proclaim that Canada at last appreciated that defence was integral to political and economic factors in the world at large. Not everyone was convinced, and the contrary viewpoint was perhaps best expressed by Mr. Frank Underhill in 1953 when he wrote:

> ... the most modest quota of armed forces to Korea and western Europe shows only a reluctant, half-isolationist acceptance of new, unpleasant international duties—maybe we should not flatter ourselves that the 1950s are so far in advance of the 1920s.

Mr. Speaker, if there is any validity whatever with respect to Mr. Underhill's criticism of Canada's defence posture in the 1950s, I suggest it must represent an undeniable truth in relation to the 1970s. This leads me back to my concern about the Prime Minister's attitude toward defence. Not only does he demonstrate the traditional Liberal-prime minister lack of appreciation of the relationship of international and defence responsibilities, but it seems he is prepared deliberately to deceive the Canadian public as to what our defence capability really is. It is one thing to quite openly adopt an isolationist stance and face the public's conclusion; it is quite another matter to pretend to have an order of defence capability that in reality does not exist.

● (1550)

From the outset the Prime Minister has demonstrated to Canadians his desire to retreat from world involvement. Suggestions of isolationism have surrounded many of his moves since 1967. With respect to the forces, he has questioned their necessity. He has confronted our neighbours to the south on numerous occasions. He masterminded the unilateral withdrawal of half of our forces from NATO at a delicate point in MBFR talks and would have brought them all home except for pressures both from within NATO and from Canadians here at home. Conceding only the importance of international trade, every other posture has been toward neutrality, away from the traditions and patterns of our external alliances and toward external postures which reflect only our own self-interests. They have been away from the recognition that we are deeply involved in a world that does not as yet know peace nor is able to discern it for the immediate years ahead.

We have been cautioned by our senior military field commanders that the forces can no longer meet the roles and tasks as presently laid down for them with fewer men than they now have. Indeed, it is interesting to note we have now eroded about 40 per cent of our first priority, that of the defence of Canada, so that we might support our fourth priority, that of maintenance and supervision in the Middle East. Indeed, most of them will privately admit that they are hard pressed to even meet these roles with their present strength levels. I must say, Mr. Speaker, that in this regard it is reassuring to have our senior men speaking out.

I have always believed that it was not alone the responsibility of cabinet to maintain civil control over the military but, rather, the responsibility of an informed electorate as well. We will only be fully informed when our senior professional military leaders are able to speak out. I think it is healthy to have an informed electorate, and if this is the only way then let us have more of it from time to time. I trust the high degree of professionalism and belief in our country that is deposited in our general ranking officers. The present minister does not strike many Canadians as being one who is prepared to fight the battles of his professional force within cabinet or with the Prime Minister. He is a good man but he is not known for his strength in cabinet. Therefore, what else can one conclude but that it is the PMO calling the shots?

We do not have enough funds adequately to meet our first priority, let alone the other three. We have not renewed our equipment. We have not renewed our armaments nor their delivery long-range systems. We have shelved long-range maritime patrol replacement. We have seen plans to replace our track-tank. We have not gone into the many areas where equipment renewals are not only necessary but important if we are to maintain the confidence of our allies both within the United Nations and here on the North American continent.

I cannot help feeling that the present position of the Canadian armed forces is as a direct result of application of the personal philosophy of the Prime Minister. If he has sought out the best senior professional military advice and the highest level of external affairs advice available, and on the basis of that advice has concluded that Canada does not require a national armed force, let us have some national dialogue and debate. He may be right, but I say he is not—and he will not be right if he has taken this position in isolation. He is not acting responsibly on behalf of Canada by putting our forces in a position where they are no longer an adequate military force but a paramilitary force with the role of protecting the north or the mid-Canada line. I say the Prime Minister is wrong. The position he has adopted is a disservice to Canada and our allies to the south. It is an enormous disservice to our trading partners around the world.

I suggest he has let down the United Nations with regard to Canada's traditional undertaking to support those actions which require the presence of a neutral military force. I reiterate that Canadians will not find the answer to concerns about Canada's defence forces in numbers, but in the deliberate denial by the Prime Minister's office alone, bypassing the Minister of National Defence (Mr. Richardson) and not providing the funds required and asked for by the senior professional military force in order to maintain an adequate force capable of meeting the priorities which this government has given to it. The

least possible position acceptable to the forces and Canadians in general is for the Prime Minister to indicate the posture he would like to see them adopt with regard to our four priorities and to our role in the world today. That is the least the Prime Minister owes to the Canadian armed forces.

Mr. Deputy Speaker: Order, please. The Chair would like some direction from the House with regard to the order adopted on November 21 setting a limit of 20 minutes on speeches of hon. members. I know that under Standing Order 60 there is no time limit. I wish to be sure of this order now, rather than have someone interrupt the Prime Minister (Mr. Trudeau) after 20 minutes. I would like to be sure that he has unlimited time according to Standing Order 60(9). Is this agreed?

Mr. Baldwin: Mr. Speaker, we completely agree that despite the terms of the order the Prime Minister should have more than 20 minutes. That is proper, not only because he is Prime Minister but because he will need additional time to deal with these issues.

Mr. Knowles (Winnipeg North Centre): I trust the Prime Minister is not worried lest I disagree. The fact is that we agree but, as one of my colleagues says, we hope the Prime Minister will have something to say. We hope he will not follow the rule religiously and speak for unlimited time. We hope he can present his case within an hour.

● (1600)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I want to thank the House leader of the Conservative Party for agreeing that I not be limited by the 20-minute rule. I shall take some time to deal with the subject which the hon. member for Annapolis Valley (Mr. Nowlan) yesterday asked the then Acting Prime Minister (Mr. Sharp) to make sure I would deal with. That will take up a substantial part of my speech. To the House leader of the New Democratic Party I would say that I want to deal with the questions asked of the Minister of Finance (Mr. Turner) by him, questions relating to petroleum in general. This will take some time. The only thing I can tell the House leader of the New Democratic Party is that I shall not imitate the sixteenth century divine who exhausted time and encroached upon eternity.

[*Translation*]

This year, Mr. Speaker, for the first time in the Canadian history, we have witnessed in an unprecedented way the formidable power of Parliament, with its right to question the budgetary policy of the government. Its refusal of our budget, six months ago, had consequences which caused us to realize more fully the implications of parliamentary democracy.

While I still hold that the recent general election which resulted was both inopportune and useless, except from a constitutional point of view, I remain convinced that the concretizing of the official terms and conditions of our constitution in the supremacy of Parliament and the dependency of the government on the support of the people, has been beneficial not only to Canada, but also to each and every one of us.

[Mr. Forrestall.]

Modesty forbids me to elaborate unduly on the collective decision of the electorate, while my inborn kindness prevents me from emphasizing what the Canadian people thought of the arguments on which hon. members of the opposition based their rejection of our budget.

I need only say, Mr. Speaker, that the Liberal party is now on this side of the House, to your right, that it is presenting a new budget, that it has a few more members and that its members are a little more confident about the results of the vote to be held later.

Thus, Mr. Speaker, many things have changed since May. Only one has remained and will remain the same: the resolve of the government to listen attentively to the concerns and problems of the people who elected it to serve them, and to bring effective solutions to all those difficulties.

There is no doubt that the steady increase in the cost of living constitutes the main concern of most Canadians. We are well aware of that concern that prevails throughout the country. That feeling sometimes turns into powerless rage in the face of economic forces that spread such painful uncertainty among so many Canadian families. We have seen illustrations of that indignation with the recent livestock slaughters and the waste of millions of eggs—scandalous things to happen in a starving world. We still see that feeling in the quiet but deep concern of those workers and their families who could be overcome in their fight to maintain their economic position within the community.

We also find that concern among elder people abashed by the decrease in their purchasing power and who still feel its cruel effects.

Young couples who are disappointed at seeing fade away in an uncertain future their hope of owning their own house one day are also deeply concerned. And the concerned faces of small entrepreneurs and businessmen tired of explaining to their customers that they are not responsible for inflation, but rather its victims, tell us a lot about their state of mind.

We know that many parents are concerned not only about being able to provide decent food, clothing and shelter for their children but also about the economic stability of the world in which they will have to live their adult lives.

Threatened by inflationary forces he does not fully understand, but convinced that no government, no group of influence is entirely responsible for the problem nor able to solve it alone, the average Canadian seems to have adopted an ambivalent attitude.

On the one hand, he is increasingly inclined to look first and above all after his personal interest and those of his family. On the other hand, he is more aware than ever of the interdependence of individuals and nations, more prepared to co-operate and participate in a joint action against that common enemy that is economic instability.

People want a government that is alert and sensitive to their needs, a government that shows compassion for the vulnerable and the weak, a government that can come up with solutions to its most pressing problems.

Mr. Speaker, even though the economic uncertainty is extremely serious, the Canadians seem to be deeply aware of the strength and good fortune of Canada: they are confident that by working together at home and in co-operation with other nations, they will finally succeed in solving the world problem with which they are now grappling.

On this side of the House, I admit it willingly, we are disappointed to see how weak an influence governments can exert on the problem that exists on a world-wide scale. But that feeling of frustration has reinforced, and not weakened, the will of this government to act vigorously everytime it can hope, ever so slightly to succeed, even partially, in the common fight against the plague of inflation.

[*English*]

Despite our frustration, Mr. Speaker, this government has been, and will continue to be, a government committed to strong and effective action to protect the individual in his personal fight against inflation and to protect the country by maintaining a high level of economic activity.

Some hon. Members: Hear, hear!

Mr. Trudeau: While we have refused to put on the economic strait-jacket which the Conservative Party tried unsuccessfully to sell to the Canadian people, we are continuing to wage war against inflation on several fronts. The budget we are debating is proof of our resolve. Because shortages often drive up prices, create hardship and slow down economic activity, we are giving high priority to measures designed to stimulate the production of a greater supply of the things we need, especially food, energy and housing. Through the two-price wheat system and the federal-provincial energy agreement we are protecting Canadian consumers against the worst effects of high world prices for two vital commodities while at the same time guaranteeing a fair return to Canadian producers.

It was with reference to the oil pricing agreement of March 27 that the Leader of the Opposition (Mr. Stanfield), in his speech a week ago, most clearly revealed the policy vacuum within his own party. To set the stage, let us go back in time to the spring of this year, to the discussions which resulted in the agreement to set $6.50 as the fair domestic price for a barrel of oil. Consider the political problem which confronted the Leader of the Opposition at that time. He could not at one and the same time support the Conservative premier of Alberta who would have liked a higher price, and the Conservative premier of Ontario who would have liked a lower price. Still less could he support the federal compromise of $6.50 because, in the rather antiquated political philosophy of the Conservative Party, that would be the most serious crime imaginable—admitting that a Liberal government of Canada had accomplished something worth while for the people of Canada. What could he do? He had to say something lest the Conservative Party should appear to be an irrelevant observer in a matter of critical importance to the country.

● (1610)

The Leader of the Opposition found his answer in a kind of rhetorical camouflage which allowed him to endorse all the motherhood principles involved, which allowed him to avoid either agreeing or disagreeing with any of the parties to the discussion and allowed him, most importantly, to avoid taking any position whatsoever on the most crucial question at issue, that is, whether $6.50 was a fair price. Yes, he was in favour of a fair return to the producer, and he was even in favour of a fair return to the consumer. Yes, he was in favour of a domestic price lower than the world price. But what about the guts of the issue: was he in favour of $6.50 as a fair price, a reasonable compromise between the competing interests of producer and consumer? His answer was a revealing silence, a pervasive silence which continues to this very moment.

There was a time, Mr. Speaker, when political games of that nature—creating the appearance of a policy to mask the fact that a party does not want to take a stand—and that kind of tactic could have fooled a large part of the electorate. The difficulty for the Conservatives is that the Canadian electorate has become too well informed, too sophisticated to be fooled by the old tried and true Tory strategy. I would have thought they had learned that lesson in July, but they have not.

The proof can be found in the address delivered in this chamber last Wednesday by the Leader of the Opposition. In only one part of his speech could I find any reasonable attack. He pointed out, rightly, that some months ago I had cited the Carter commission as supporting the government's view on disallowing provincial royalties as an expense for federal tax purposes. I have learned that I was misinformed at the time and I agree with the hon. gentleman opposite that the record should be corrected. I know that the Leader of the Opposition, in similar circumstances, would be equally willing to admit a mistake, just as I know he would be as surprised as I was to hear a human error described as a dishonest act. In his speech he also used words like "bad faith" and "treachery"—headline grabbers which deflected attention from the fact that he took no position whatsoever on the issue he was purporting to discuss.

The issue, Mr. Speaker, is the entitlement of the federal government, the producing provinces and the producing companies to fair shares of resource production profits, shares consistent with the rights, needs and responsibilities of each. The question before us is whether the provision in the budget which disallows provincial royalties as deductible expenses in the computation of federal corporate income tax is a reasonable and necessary step toward re-establishment of an equitable pattern of revenue sharing. We believe it is. Some provincial spokesmen believe it is not. Premier Blakeney even stated to the Canadian Press a couple of days ago: "Since resources are constitutionally a provincial area, they are owned by the provinces. As a matter of principle the provinces should get everything over and above a fair return to the corporations". That is what Premier Blakeney believes.

What does the Leader of the Opposition believe? We do not know. We cannot know. Only he knows, and he's not telling. Through the strategem of harsh accusations he has avoided giving any answer to the critical questions at

stake. Does he believe the share of resource revenue claimed by the federal government is excessive? He offers silence. What level of sharing does he consider to be fair and reasonable? More silence. Does he support ths provincial argument that the federal government should share with the companies whatever is left over after the producing provinces take as much as they want, no matter how much they want? Deafening silence, Mr. Speaker. He has refused to come down on the side of either the federal or provincial governments in this revenue sharing debate. He has refused to offer any alternative position.

He opted for the appearance of strong disagreement with the federal position, without indicating any actual substantial disagreement. He opted for the appearance of agreement with the provincial government of Alberta, without giving any hint of any actual substantial agreement. In the finest Tory tradition, he skirted the real issues by choosing bombast over substance, rhetoric over commitment. Such a performance does not deserve to be commended, even by the political pragmatists within his own party. He deserves to be exposed, and that is what I propose to do.

The foundation of the attack launched by the Leader of the Opposition was the statement that the resource producing provinces would never have agreed to the March oil pricing agreement if they had known that we would disallow provincial royalties as deductible expenses. He therefore implied that resource industry revenue sharing was an essential ingredient of the March agreement. He further implied that the federal government had made a secret pre-agreement decision to disallow royalties, and that alleged decision vitiated any claim we might make to have been bargaining in good faith with the provinces during our discussions early this year.

Let me deal first with the implication that the provincial governments had no indication, no warning prior to the March conference that the federal government would take strong action to protect its interests in the event that the provinces altered their royalty structures in such a way as to freeze us out of the field of resource taxation or, alternatively, reduce our access. Let me deal at the same time with the allegation that the federal government somehow violated the March agreement by subsequently modifying the level of federal taxation of the resource industries. I would emphasize, first of all, Mr. Speaker, that matters relating to federal and provincial levels of taxation formed no part of the March agreement. It was an agreement on price, not an agreement on the sharing of production profits.

Let me remind the House, for the record, of the earlier approach that we adopted at the end of January of this year at an open conference televised for everyone to see, an approach which precisely was one of trying to get an agreement on the sharing of production profits. We had proposed a sharing. We had proposed shares which no doubt were debatable but which were not debated. It was the approach of sharing which was rejected, and this is why in March, when we had only a few days left to make sure that some order was brought into the petroleum industry, we had to act. That is why we did not use this sharing of profits approach; we looked for an agreement on price and on a few other things which I reported to the

[Mr. Trudeau.]

House and which I will be talking about. Once again we must keep in context the January approach, which was one of sharing. We did not want the industries to be driven out of business. We did not want the provinces to have too little. We did not want to take too much. We wanted to discuss fair shares, but there was no discussion.

So we come to the March agreement. It is true that prior to the agreement, some time early in March, Premiers Lougheed and Blakeney both gave me an indication of their intentions, the former proposing to move to a royalty rate of about 65 per cent on oil prices above the old price levels then prevailing and the latter proposing to take close to 100 per cent. Premier Lougheed, for instance, told me privately on March 4 of his intentions to move to 65 per cent and I expressed my concern over this. I indicated to him by phone on March 8 that this would be going too far, from our point of view, eating into what we considered a reasonable federal level of corporation tax receipts.

● (1620)

So levels of taxation and royalties were, indeed, discussed with Premiers Blakeney and Lougheed a number of times during the period leading up to March 27, but no agreement was reached. I emphasized that the new and much increased royalty schedules contemplated by the two provinces were a serious concern to the federal government. I indicated that we had to reserve the right to take whatever tax action we felt appropriate and necessary to protect the federal revenue position. To underline still further the fact that the provinces were advised of our concern in relation to royalty levels, and were advised of our determination to protect the federal interest, I would refer to correspondence, copies of which I placed on the table on Monday, between myself and the premiers of Alberta and Saskatchewan on this matter.

Particularly relevant are substantially similar letters I sent to each of the premiers on March 12 of this year, 15 days before the oil price agreement was achieved, not an agreement on taxes. In my letter to Premier Lougheed I said in part:

> Finally, with respect to oil policy as such, I should like to comment upon the potential impact of provincial royalty policy upon the corporation income tax. The taxation of corporate income has long been regarded as one of the most important tools of federal fiscal and economic development policy. Further, I think that the needs of the federal government to be able to share, to a reasonably appropriate degree, in the various streams of income across the country are self-evident. Historically, it has not been difficult to reconcile the interests of federal and provincial governments in this regard, but the taxation of the added income arising from higher oil prices is presenting us with a new set of problems.

I continue to quote from the letter, Mr. Speaker:

> As I indicated to you, we feel we must preserve the effectiveness of the federal taxing power to raise needed federal revenues.

As I indicated, this was the phone call I made to Premier Lougheed. I continued:

> We understand that the provinces appreciate this fully, but believe that any federal action should be confined to the corporation tax field. Under the existing tax structure, a very high level of provincial royalties obviously erodes the corporate tax base and narrows substantially the scope for whatever incentives the federal government feels necessary to maintain exploration.

I would repeat those words, "a very high level of provincial royalties". I continue to quote from the letter, Mr.

Speaker, and would ask hon. members opposite to remember these words before making accusations of bad faith:

In underlining these facts, I do not want in any way to question your right to levy royalties, or to comment upon your royalty policy. However, I must make clear that any action that you may decide to take in respect of royalties would have to be without prejudice to our freedom of action as regards federal taxation.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Lougheed has suggested that this warning, clear as I thought it was, was not a sufficient indication to him that the federal government would go as far as to consider changes in the long-standing treatment of provincial royalties. I accept his statement without question and regret that any misunderstanding could have occurred. Yet I still think the warning was about as clear as we could make it.

Some hon. Members: Oh, oh!

Mr. Trudeau: I will read it again, because I think there is a bit of misunderstanding.

Mr. Broadbent: I have read it. I have a copy here.

Mr. Trudeau: I will read it again as you do not seem to have understood it. I stated:

. . . I must make clear that any action that you may decide to take . . .

That was to Premier Lougheed, and I was writing the same thing to Premier Blakeney.

Mr. Turner (Ottawa-Carleton): The same letter.

Mr. Trudeau: It was the same letter, in which I stated:

. . . I must make clear that any action you may decide to take in respect of royalties would have to be without prejudice to our freedom of action as regards federal taxation.

I still think that warning was about as clear as we could make it, in view of the fact that the federal government at that point had made no decision as to the specific nature of any action we would take. We were reserving our right to act, in principle. We had not yet determined what instrument we would use, but there was no doubt in my mind, as I made clear to the premiers, that the federal government would have to act to protect its tax base. What was unresolved at the time was the question of which particular instrument we might use to achieve our goal. That decision was made after the meeting of first ministers, in the weeks immediately preceding the budget of May 6. The Minister of Finance in his budget speech explained why we adopted this particular instrument. It might be worth while to repeat the arguments very briefly.

Why did we choose this technique of total disallowance of royalties instead of some other device? It was for very good reasons. After a full examination of all the alternatives open to us, we found that total disallowance was the only instrument capable of re-establishing a fair share for the federal government of resource production profits. There was no other way. In fact, if we had maintained the deductibility of royalties but eliminated every other federal incentive to the resource industries, we would still have fallen far short of an equitable federal share. If we had eliminated the depletion allowances, the 100 per cent write-off for exploration costs, the 30 per cent write-off for developing costs, and the new abatements—if we had done all those things we would still not have come close to re-establishing a balance because of the magnitude of the return from the provinces under the royalty structure.

I invite hon. members to read that letter in full. The letter I quoted from, I repeat, was sent 15 days before the March agreement. I would then invite hon. members to compare it with the statement made in this House last Wednesday by the Leader of the Opposition when he said:

The Minister of Finance must have known, the Prime Minister must have known, that the provinces concerned would never have entered into that agreement on March 27 if they had entertained the slightest suspicion about what the Minister of Finance intended to do on May 6, and what he repeated again on Monday night.

Then followed these memorable words:

That is what I mean by treachery, sir. Those Pearl Harbour boys are at it again.

Some hon. Members: Shame.

Mr. Trudeau: If there was any treachery, it was not on our part; it was on the part of whichever friend of the opposition leader misinformed him to such an extent that he was persuaded to climb out on the limb which has now been cut off.

Some hon. Members: Hear, hear!

Mr. Trudeau: There has also been the suggestion that once we made the decision announced on May 6 we should have assumed that the March 27 agreement was void and should have recalled the first ministers. That presupposes, of course, that the agreement covered the question of taxes and royalties, which, as I have noted already, was simply not the case. Does the hon. gentleman opposite really believe, for example, that we would have agreed to the 100 per cent royalty rate adopted by Saskatchewan, leaving no federal share through corporate taxes of the excess revenues involved in moving the price from about $4 to about $6.50? Does he agree with the views expressed by Premier Blakeney in an interview published in the press yesterday where he is quoted as having said that as a matter of principle the provinces should get everything, over and above a fair return for the corporations? I reject that principle, implying as it does that the people of Canada as a whole have no right to any share of the higher revenue resulting from the increased market value of natural resources.

● (1630)

I challenge the Leader of the Opposition to say whether he accepts the principle enunciated by the Premier of Saskatchewan. I am particularly interested to know what the members of the New Democratic Party in this House think of that new doctrine. What do they think of the new doctrine? What does Premier Schreyer think of it? Please let me know. Of course the question of royalties was vital to provincial interests, as were many other factors which had to be considered by all governments before agreement was reached on the $6.50 price, a compromise on all sides made in the knowledge that the price would be reviewed again before too long and hopefully a new bargain struck—one in which the export tax, for example, will

almost certainly be a smaller factor than has been the case under the current agreement.

On that latter point, Mr. Speaker, I repudiate the suggestion that the Minister of Finance misled the public by not including the yield from the export tax in his calculation of the current federal share of resource production profits. The export tax is a unique, short-term and disappearing phenomenon. It is a device designed to make possible the federal-provincial agreement that there should be a single domestic price for oil lower than the world price. Benefits derived from the export tax do not remain with the federal government; they are transferred to the provinces east of the Ottawa Valley line so that consumers and industry there may pay roughly the same price as those west of the line.

Some hon. Members: Hear, hear!

Mr. Trudeau: So the export tax does not belong in any discussion of the long-term sharing of production profits. Indeed, those who include it are themselves distorting the real picture.

I would like, now, to take a few moments to deal with a question of special importance to the province of Saskatchewan. Premier Blakeney has reacted unfavourably to the budget proposals on equalization. I should like to discuss this question in particular, because Premier Blakeney has been quoted in the press as saying that the proposed equalization arrangements appear to be a clear, direct and specific violation of both the spirit and letter of the March agreement of first ministers. He is also reported to have said, "Saskatchewan would get $40 million less this year than if the oil pricing agreement had continued to be honoured by Ottawa".

In my view, Mr. Speaker, the budget proposals on equalization are clearly in accord with the spirit of the arrangements which were accepted in a general way at the March meeting. Moreover, there is no doubt in my mind that Premier Blakeney is mistaken in implying that the oil pricing agreement would fully protect Saskatchewan from any reduction of equalization in respect of oil. I would like to recall for hon. members the nature of the understanding which was reached by first ministers last March. On March 28 I reported to Parliament on the effect of the new provincial oil revenues on federal equalization payments to the provinces as follows:

> The House may wish to note that Saskatchewan intends to place most of its added oil revenues in a capital fund for energy development. Alberta proposes to handle a high proportion of its added revenues in the same manner. While the revenues taken into their capital funds would not be subject to equalization the federal government will, of course, pay equalization respecting any oil revenues that go into general funds. We calculate our added equalization payments will likely be something over $100 million.

This is very vital to the agreement that was reached between the first ministers, because on the one hand those provinces which are consumers of oil and not producers were saying that Alberta and Saskatchewan are getting rich, and asked whether this means that the equalizations payments would correspond to that added wealth, as in other instances added wealth has meant increased equalization payments. Of course, the producing provinces did not have the same point of view. Nor did we. We did not want the totality of the added revenues to go into equalization, because the way we calculated it, we would have ended up in a short time even having to pay equalization to Ontario. This would have made a mockery of the whole system of helping the poor provinces. So we reached this compromise of a fund. Everything put into the fund would not be subject to equalization, and everything that went into general revenue would be subject to equalization. This is the principle. Now, let us see how it applies if we follow the letter of the March agreement and the letter of the budget or the spirit of either. Let us see how it applies, because this statement makes clear our understanding, and I repeat here that our additional revenue would be treated in two ways for purposes of equalization.

The understanding did not go so far as to specify the specific proportion of additional oil revenues that would be placed in general and capital funds by each of the producing provinces. However, it did indicate that this proportion would be high in the case of both Alberta and Saskatchewan. In making calculations of equalization for 1974-75, since last March—the federal government has made the following assumptions: First, that Saskatchewan would place all of its additional revenues from oil into capital funds. I think this would satisfy the interruption of a moment ago by the NDP. Second, that Alberta would place 65 per cent of its additional revenues from oil royalties into capital funds, but none of its additional revenues from other kinds of levies on oil. Third, that none of the other producing provinces would place any of their additional revenues into capital funds, referring of course to revenues from oil. Over-all, we expected that this would have the effect of excluding from equalization approximately two-thirds of the additional revenues from oil.

The Minister of Finance has already referred to the difficulties which would be encountered if the equalization calculations were to be dependent on provincial decisions from time to time respecting sequestering of oil revenues in capital funds. Therefore, an alternative method of implementing the intent of the March understanding has been developed and will be discussed with provincial finance ministers next week when the federal Minister of Finance meets with the provincial ministers of finance. He will put the alternatives before them. However, it might be interesting for the House to know the results and to know of the two systems.

Mr. Baldwin: They had better take along a Bible: they will want a Bible at that meeting in order to have someone sworn.

● (1640)

Mr. Trudeau: I think the hon. member opposite has really elevated his mind. I remember a few years ago when his authority was the Canada Year Book. Now it is the Bible.

Some hon. Members: Hear, hear!

Mr. Trudeau: Do you remember that time, Mr. Speaker, when you were a backbencher and the hon. member, in the debate on the rules, quoted the Canada Year Book as his authority? But now the Bible may give him something to think about.

Mr. Baldwin: You don't understand either of them. You had better read one of them.

Mr. Trudeau: I hear the Minister of State for Urban Affairs (Mr. Danson) saying that the hon. member should try the Koran.

Some hon. Members: Hear, hear!

Mr. Trudeau: The new equalization proposal should produce approximately the same result as the March understanding since it also involves the inclusion of one-third of the additional revenues from oil. Estimates have been made of the amount of equalization that would be paid under the new proposal for 1974-75—the ones in the budget of the Minister of Finance—and the results have been compared with the latest official calculation of equalization for that year, 1974-75; a calculation made in September on the basis of the March understanding. The results are virtually identical both in total and in distribution.

In fact—I will wait until the leader of the NDP pays attention, because I am sure he would want to know that this is the crux of the argument he has been throwing at me and the Premier of Saskatchewan—the province of Saskatchewan would be slightly better off under the new proposal than it would be on the basis of the March understanding.

Some hon. Members: Hear, hear!

Mr. Trudeau: Surely these facts cannot be taken by Premier Blakeney as evidence of a breach of the spirit of the March 27 understanding. Federal ministers and officials have all along been concerned about providing Saskatchewan with protection against a catastrophic fall in its equalization entitlement, even though the province is enjoying an increase in oil revenues which this year is likely to exceed $200 million. In short, we have sought ways to protect Saskatchewan from the full effects of the equalization formula which, roughly speaking, provides that as a province gets richer it receives less help.

We never contemplated, however, that the province would experience no loss in its equalization entitlement, no matter how rich it became from new oil revenues. Indeed, to protect the province absolutely from any decline in equalization payments would have made a mockery of the equalization system. Finally, I should note that the benefits to Saskatchewan from the budget proposal concerning equalization will apply for three fiscal years, whereas the March understanding would apply for only 15 months.

I hope that these facts will help clear the air of the accusations we have been hearing inside and outside the House, as well as in the media, for the past few days, that in some way we broke an agreement because we acted in a certain way. The agreeing parties knew of it in advance; they were warned of the principles of our action, particularly as the so-called breach relates to matters which were not part of that agreement. I hope that will clear the air a little bit and at least deter the Leader of the Opposition from using such words as "treachery" and "bad faith."

I agree that in this debate there is some difficulty in understanding the compromise between the federal and provincial governments, not only the federal government and the provinces of Alberta and Saskatchewan. Hon. members are wise enough to realize that there were other provinces at that meeting and they wanted a lower price and an equalization formula that would be of more benefit to them than the one that was reached. So there was an honest disagreement. A compromise was reached and an agreement made. I think that should be the basis of any discussion. I repeat that if there are any policies that the Tory Party or, for that matter, the NDP want to put forward to show how a better agreement can be reached—because they and we will have to reach a decision in this parliament for the period following July 1—it would be interesting for them to begin now to lay down the groundwork for their principles on the basis of which they will give advice to the government, rather than waiting until a year later and talking of a breach of agreement.

Some hon. Members: Hear, hear!

Mr. Trudeau: I think that our policies, their policies and the views of the Canadian people would be more enlightened if we sketched briefly the history of the taxation of the resource industries in Canada and explained why we had to act as we did. For many years, and especially during the 2½ decades following the Second World War, the tax policies of the federal government were designed to foster and encourage the discovery and development of Canada's minerals, oil and gas. The federal government granted preferential tax treatment to these industries. The three most important of these incentives were automatic depletion, rapid write-off of exploration and development expenses, and the three-year tax holiday for new mines.

So generous were these incentives—I think some people even used the word "rip-off", but they are on the other side of the argument and say that we do not do enough to encourage the development of the mines—that in the petroleum industry only a handful of producers had paid any tax by the end of 1972 and the total amount of tax paid to the federal government over the entire period was less then $400 million. During this same period, provinces levied royalties on oil and gas production and collected about $4 billion in the form of royalties and other charges. This figure does not include provincial corporation tax revenues of about $100 million. Over this same period, federal taxes collected from the mining industry were also very low. Federal taxes amounted to considerably less than 15 per cent of book profits before tax, while federal taxes on all other non-resource industries averaged more than 30 per cent, compared to 15 per cent in the mining industry.

In sum, over the long period of development from 1945 to 1972, provinces received almost ten times as much revenue from the petroleum industry, and about 1¼ times as much revenue from the mining industry, as did the federal government. At the same time, the federal government sought further to encourage resource development in the west by establishing the Borden line, guaranteeing an assured market for western production and at a price higher than world prices so that consumers in Canada were paying higher prices to help develop the petroleum industry of Alberta and Saskatchewan.

Some hon. Members: Hear, hear!

Mr. Trudeau: In this debate on throttling the petroleum industry, which we hear mainly from the Alberta members, let them remember these figures. Who has been taking the lion's share for the past 25 years, and who has been giving incentives by taking a very modest share, ten times less? The federal government has been developing these industries and giving incentives. The provinces were getting a pretty good revenue. Now, when prices have gone up, I think we should stay in the same position. Yet they say that any increase in our taxes is a sign that we want to drive the petroleum industry out of business. This is not the context in which the petroleum industry was developed, because the industry responded extremely well to the income tax incentives granted over this period. Canadian productive capacity was greatly expanded, so that by the middle of the 1960s it was becoming clear that a lesser degree of federal tax incentives was required to maintain a healthy and growing resource industry.

● (1650)

It is important to recall that in designing the tax regime enacted in 1971 the government acted against the background of the long-standing provincial tax and royalty structure which was in effect at that time. The level of royalties in the petroleum industry was about one-sixth of the wellhead price. The rate of provincial mining taxes at that time did not exceed 15 per cent in any province. One of the objectives of the 1971 regime for taxation of the resource industries was that all Canadians should willingly bear the cost of the tax incentives and should not expect to lay claim to substantial revenues through the tax system in years of relatively low prices. In return, all Canadians could expect to benefit from a reasonable share of the profits of these industries in years of higher prices. At the same time, the people in the producing provinces would receive a reasonable share of the value of output each and every year. As I will show in a moment, were it not for the provisions of this budget the intent that all Canadians benefit during years of higher prices would have been frustrated.

During the period between the beginning of tax reform on January 1, 1972, and the end of the first quarter of 1974 the situation was as follows. The price of Canadian oil and gas was rising slowly. The federal government's share of oil and gas production profits was running at about 5 per cent to 5½ per cent. The provincial share, including royalties and provincial corporation taxes, averaged about 22 per cent.

Mr. Broadbent: Because you were not taxing.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): You can't have it both ways. Make up your mind.

Mr. Trudeau: So we are taxing now. Are you going to support us? Are you going to support our budget? We are taxing now.

Mr. Broadbent: Continue.

Some hon. Members: Hear, hear!

[Mr. Trudeau.]

Mr. Trudeau: We helped develop the petroleum industry in Saskatchewan, Mr. Speaker. The people of Canada helped through these tax incentives. Now that prices are higher, we think in all fairness the people of Canada should get back a little bit of what they paid.

Some hon. Members: Hear, hear!

Mr. Trudeau: In April, 1974, the price of Canadian oil rose to $6.50 per barrel at the wellhead. Had the provinces left their royalty structure as it was in January, 1974, their revenues in 1974 would have been about 31 per cent of production profits. By virtue of the price increase, federal revenues would have risen to about 13 per cent. This increase in the federal share from 6 per cent to 13 per cent was in keeping with the expectation that all Canadians would begin to share in the profits resulting from the higher prices. I remind the House that this was the sharing of petroleum revenues that would have existed for the last three-quarters of 1974 under the tax and royalty structures in place last January. But during 1974 the provinces began to levy new and heavier royalties and other charges. Alberta introduced an incremental royalty which averaged 65 per cent of the increased price of oil.

Some hon. Members: Shame.

Mr. Trudeau: Saskatchewan introduced a royalty equivalent to 100 per cent of the increased price.

Some hon. Members: Shame.

Mr. Trudeau: British Columbia introduced new and heavy royalties on oil and announced that the British Columbia Petroleum Corporation would appropriate most of any increase in the price of gas. All of these additional levies on income of petroleum producers were in the form of charges of a kind that under the then existing federal tax regime would have the effect of reducing federal income tax revenues. As a direct consequence of these actions the federal share of production revenues would have fallen from 13 per cent to 6 per cent in the last nine months of 1974. In the same period, provincial revenues would have risen from 31 per cent to 42 per cent of production income. A very low level of federal tax would have persisted in the years ahead. For the balance of the decade, and notwithstanding any further increases in the prices of oil and gas, the federal share would not have increased significantly from this 6 per cent level; yet the provincial share would have continued to increase from 31 per cent to 42 per cent. This would have meant that the residents of the resource-rich provinces would have enjoyed very significant benefits, while Canadians in other parts of the country would have enjoyed very little benefit.

This low percentage was not the reasonable share that Canadians as a whole had a right to expect in this period of higher prices. What choice did we have, as a federal government with responsibility to the whole nation, to remedy the situation? We examined many possibilities, but it became abundantly clear that as long as any royalty or royalty-like charges and claims were allowed to reduce or eliminate the federal tax base there was no way to protect federal revenues.

Mr. Speaker, I have tried to outline the simple facts which led us to the budget measures relating to the taxation of the resources industries. I have tried to explain why we had to act when we did and as we did. I recognize that our proposed solution has not met with the approval of the producing provinces, and I deeply regret this. We have made it plain that we are not in any way challenging the provincial right of ownership or jurisdiction over natural resources. The issue is simply one of the right of the federal government to tax.

I would emphasize that in the legal sense, in the constitutional context, the budget does not in any way limit the freedom of the provinces to impose any royalty they wish. There has been some talk of our rolling back these royalties or preventing the provinces from taxing. Nothing the Minister of Finance has done in his budget is preventing the provinces from taxing. It does not reverse, roll back or repudiate these royalties. The disallowance provision does not take one dollar out of any provincial treasury. On the contrary, as federal corporate income tax revenues increase so will the provinces' share of that revenue increase. In the economic sense, of course, the budget does exert a very real impact on the resource producing companies, and that is the problem. Not on the provinces, Mr. Speaker—on the companies. If the total tax and royalty demands upon the companies threaten their health and viability, somebody has to give ground. We have given ground; we have reduced our claim by 25 per cent in this budget as compared with the May budget.

Both the federal and the provincial governments have a vital interest in maintaining and encouraging resource exploration, development and production. It is up to both levels of government to co-operate in making that possible. The federal government cannot be expected to bear the full burden of incentives to the industry. The budget does not force the provincial governments to do anything at all, in a legal sense. In an economic sense it invites them to co-operate with us in ensuring a healthy and vigorous industry.

Mr. Speaker, I was very pleased to see that the Liberal leader in Alberta, Mr. Nick Taylor, courageously stood up and spoke in favour of this budget.

Some hon. Members: Hear, hear!

Mr. Trudeau: I realize that it takes a courageous man to do that, and Liberals are courageous people when it comes to the good of the country. The Liberal leader realizes that his province will derive enormous wealth from this new development in the petroleum industry, and he believes that the people of Canada should share in some of that wealth because they shared in the crises and burdens which made possible the development of that industry. That is Liberal policy.

● (1700)

Let me make clear that in these comments I have been dealing with the long-term taxing system of the federal government and its access to a reasonable and continuing share of the profits of the resource industries. I have been speaking of the tax regimes which the federal government and the producing provinces apply to the resource industries within the price structure at which these resources are sold in Canada, or at which they move to the frontier for sale beyond our borders. I have not dealt thus far with the separate question of the export tax which is at the moment applied to Canadian oil as it moves into foreign markets.

An hon. Member: You bet.

Mr. Trudeau: I can return to explanations which have been given many times, but I do not think I have to take up too much time of the House to repeat that that is not money which the federal government keeps for its own purposes; it is money which serves to ensure that all the people of Canada will be paying more or less the same price for petroleum products.

Some hon. Members: Hear, hear!

Mr. Trudeau: There is no question in my mind that the people of Canada owe a debt of gratitude to the people of Alberta and Saskatchewan for willingly entering into an agreement under which they would receive less for their resources over 15 months than the enormously increased price that suddenly prevailed in the world.

Some hon. Members: Oh, oh!

Mr. Trudeau: I see that the Alberta members who are guffawing do not appreciate that gratitude. Perhaps they do not take my word for it. However, I am sure there are members in their own party who are very happy that the province of Newfoundland, for example, does not have to pay $10.50 a barrel for its oil.

Some hon. Members: Hear, hear!

Mr. Trudeau: When I hear members opposite, some provincial politicians from those provinces and in some instances the premiers, argue that the proceeds of the export tax represent simply a gift from their provinces to Canadians generally, I think they carry the argument too far. Surely the country as a whole, which shared with the producing provinces the burden of encouraging the resource industries to develop, as I have said, in the form of very generous tax incentives and in the form of a guaranteed market west of the Borden line, should also have a fair share of the revenue resulting from higher prices, not as a gift but as a right.

Some hon. Members: Hear, hear!

Mr. Trudeau: No doubt we will soon be working with all the provinces, with Alberta's and Saskatchewan's interest particularly in mind, toward a new price level for some succeeding period. This is as it should be. At the same time, we have moved in the budget to ensure, over the longer term and across the wide spectrum of resources, that the federal government on behalf of all Canadians can have assured access to a reasonable proportion of the profits generated by the resource industries of this country.

We do not seek a confrontation. We believe our objectives to be fair and reasonable. We are cognizant of the report of the National Energy Board and have reduced our tax imposition in recognition of future development needs. We have taken the steps that we felt were necessary to

achieve our objective, consistent with maintaining a healthy industry. We have gone a good distance toward meeting the views of producing provinces while protecting the interests of all Canadians. We have listened to the concerns expressed by the producing provinces and the companies, and we have responded. The budget reduces our claimed share by 25 per cent. With a reasonable approach by everyone, we will have the climate so necessary in Canada to the development of the new energy resources we need.

I have been on my feet an hour and five minutes, Mr. Speaker.

Mr. MacKay: It seems longer.

Some hon. Members: More.

Mr. Trudeau: I remember the enjoinder of the hon. member for Annapolis Valley (Mr. Nowlan) yesterday, that I make sure I do not sit down a second time in this session without having dealt with inflation. Therefore, I ask the indulgence of this House to give me another five to seven minutes to talk about the problem of inflation which I dealt with earlier in my speech. I was talking then about the human impact of inflation and about the government's general response. I would like to draw attention to some specific responses and the way in which all Canadians can, together, attack the problem. One of the specific responses was, of course, our petroleum policy which kept prices considerably below world prices and, by the device of the export tax, permitted Canada to escape the kind of disruptions which hit so many other industrialized countries.

Mr. Broadbent: Where did you get that policy?

An hon. Member: From the Liberal caucus.

Mr. Trudeau: The leader of the New Democratic Party wants to know where we got the policy. The hon. member is right: we got it from the Liberal caucus. I am sure the New Democratic Party is frustrated in its attempts which began last May to make the Canadian people believe that they had thought up this policy; but never mind, they do not have to remain frustrated. A new agreement will have to be reached by July 1. Let them set out now what their policy is for that period.

Some hon. Members: Hear, hear!

Mr. Trudeau: All I can say is I would be very grateful if they did. If they can set out that policy, as I am sure they will—their leader is shaking his head—and they can get Premier Blakeney, Premier Schreyer and Premier Barrett to agree to that policy, it will make it much easier for me.

Some hon. Members: Hear, hear!

Mr. Trudeau: If, by some miracle, the Tories can also set out their policy in due course and can get premiers Moores, Hatfield, Davis and Lougheed to agree, we will have a very nice federal-provincial meeting some time in May. We may even have it in front of television, and I will then say that the policy was developed for the people of Canada by the leader of the New Democratic Party and by the leader of the Conservative Party—if there is still a leader at that time. I will, as usual, be very humble in telling the Canadian people that.

Some hon. Members: Hear, hear!

Mr. Trudeau: As to specific responses, the most obvious of the social inequities caused by inflation is that it aims its harshest blow at the most vulnerable, pensioners and low-income families; the very people who are least able to fight back by increasing their income. That is why this government has redistributed massive amounts of the national income, asking those who have more to share with those who need more. We have raised the family allowances, which in the next fiscal year will involve a payment to Canadian families of some $2 billion of our national income. Increases in the old age pension and the guaranteed income supplement mean that we will allocate some $3.9 billion of our national wealth toward the income needs of the elderly. We have made sure that these social benefits will continue to rise automatically with increases in the cost of living. Through the Canada Assistance Plan we will provide, next year, some $700 million to low-income families and individuals.

• (1710)

To help all Canadians cope with inflation we are reducing what the government would otherwise take of the national income. The tax cuts proposed in the budget will have the effect of giving the government some $2.2 billion less during the next fiscal year than it would have received if the tax structure had remained unchanged. This will leave more purchasing power in the hands of Canadians, helping every taxpayer to cope with the cost of living and helping the economy to resist stagnation.

The government has sought to moderate the rate of price increases by reducing or removing tariffs on some commodities, removing or reducing the federal sales tax on others, and by subsidizing the cost of still others. As Canadians, we on this side of the House are proud of the strength of our economy relative to that of other nations. As Liberals, we are grateful that we have been able to play a part in maintaining and reinforcing that strength.

Some hon. Members: Hear, hear!

Mr. Trudeau: Many Canadians have contributed to the impressive performance of the national economy. I would like to draw particular attention to the singularly effective contribution of my colleague, the Minister of Finance.

Some hon. Members: Hear, hear!

Mr. Trudeau: His ability and good judgment have won for him the respect and confidence of the people of Canada, as well as the high regard of the representatives of other countries who have chosen him as the chairman of one of the most critically important committees of the International Monetary Fund.

Despite the evidence of Canada's strong performance in relation to other countries, we in the government are the first to admit that the pervasive disease of inflation continues to pose a very serious threat to the economic health of Canada and the world. It continues to breed a sense of fear and futility, especially among those who neither

understand its causes nor believe there is anything they can do about the problem. It is important, therefore, that the people of Canada understand the nature and causes of inflation and come to the potent realization that if all of us make a commitment to co-operation we can pack a mighty clout. If Canadians, as individual citizens and consumers, as producers and businessmen, as trade unionists and professionals, as farmers and members of governments, really decided to work together in the one direction of the common good, instead of in the many competing directions of self-interest, we would find we have the strength to deliver a much more powerful blow against inflation.

It is understandable why each group in the price chain feels it must protect itself against rising prices, that it must get a better return for its resources, investment, labour or risk. Yet it has become increasingly clear to everyone that the vicious circle we have created is self-defeating; that even the strong are suffering; that the plight of the weak and unorganized is getting worse; that there must be a better way. There is a better way, if we have the courage and the common sense to pursue it. In normal, non-inflationary times we all accepted the vigorous jockeying for position among the various economic groups in our society. Buyer and seller, producer and consumer, business and labour pitted their strengths against each other in the marketplace and thereby established the share each received of our total national income.

The traditional sharing may or may not have been fair, but at least we had a stable economic framework within which we could apply selective judgments designed to achieve greater economic and social justice. With normal increases in productivity, the size of the pie got bigger. While each group maintained its traditional share, each became better off because an expanding pie gave bigger pieces.

In inflationary times, the relative size of the shares gets thrown out of whack. For example, Canada could not insulate itself completely against the rapidly rising price of oil around the world. It was inevitable that foreign and domestic oil producers would increase to some degree their share of the national income pie. However, if every other group insists on maintaining or increasing its traditional share, inflation is the unavoidable result. That is to say, if the shares add up to more than 100 per cent, if the total claim on income is greater than the sum of the real value of what we produce, then the effort to increase shares when we are at high levels of economic activity and employment causes the dollar value of national income to be raised artificially. That is inflation. Everybody's dollar is worth less.

In normal times, if one economic group increases its share of the pie another group gets a smaller share. If labour gains, business pays through lower profits. If pensioners gain, those who are currently working pay through taxes. What causes instability is the fact that no group, even though it recognizes the inevitability or desirability of a larger share going to someone else, is willing to accept a smaller share for itself. When we, as a country, give a larger share to the oil producing countries because we cannot avoid it, or to our own farmers because justice demands it, then there are only two possible consequences—either other groups in Canada accept a proportionately smaller increase in their incomes and we have a non-inflationary redistribution, or those other groups insist on maintaining their traditional shares and we have to increase the money supply, resulting in inflation. Which do we want? If we want stability, then we must pay for it: all of us must pay for it, excepting only those groups to whom we give a bigger share either voluntarily or involuntarily.

If we want stability, then it makes no sense to say, "Yes, I agree that farmers, fishermen, pensioners or our native population, deserve a bigger share; but don't try to take it from me." Where are these bigger shares to come from, if everyone refuses to budge? I am not asking business, the workingman, the investor or the other levels of government to bear an unfair share of the burden of income redistribution. No one expects any one group to do all the suffering for the rest of us. We can succeed only if all the power groups in our national community, and all the strong countries in the community of nations, are willing to scale down their demands so that those in need may survive and economic stability be restored.

How do we start on the road toward stability, on the road toward some kind of agreement among the strong power groups in Canada, an agreement about how the pie should be divided equitably? We start by talking to each other, by seeking together a greater understanding of the problem which afflicts us all—inflation and the fears and problems it creates. If business and labour, government and the press, the farmer and the consumer could learn to understand each other's problems it should be possible to co-operate on the basis of that understanding.

That is why the government is launching a program of consultation with various interest groups across the country. Before any program of shared national restraint has a chance of success, Canadians in different power groups must come to know each other, understand each other and trust each other a lot better than we do now. No group can be expected to scale down its demands upon the economy unless it has reasonable assurance that the effort of scaling down will be shared equitably with other groups, with none going backward but some going forward somewhat less than they might otherwise have liked. Obviously, the federal government must take the lead in bringing together competing interests to serve the national interest. We are not shrinking from that challenge. We were given a mandate to lead and we are exercising that mandate—

Some hon. Members: Hear, hear!

Mr. Trudeau: —both here at home and in our international efforts to restore stability to the world marketplace. The budget is the proof of our determination. We are saying to business and to labour, "The federal government is willing to reduce its take of the national income by $2.2 billion, in the hope that you will moderate your claims for increasing profits and wages". We are saying to corporations, "The budget is giving you generous write-off allowances, lower sales taxes on building materials and construction equipment, capital cost allowances, pollution control assistance and general encouragement of investment. If you didn't get this assistance your costs would be higher, so you would have to push your prices up. So when you're setting your prices, when you're calculating the

amount of profit you need to finance new investment, remember the budget; remember the ways in which we have reduced your costs."

● (1720)

We are saying to the working man, "Here's an income tax cut which gives you this year between $150 and $500 extra take home pay, non-taxable, and even more next year. That could take care of your increased food costs in the run of a year. We're helping you through reduction of various sales taxes. We want you to take this into account when you're making your wage demands. You don't have to get as much more pay as you otherwise might, because we're giving you a portion of it. And remember, if we're allowing you to keep $250, for example, through the tax cut, it's really equivalent to about $380 if you had to get it through taxable income from your employer."

Canada, Mr. Speaker, is a country which has become a great country because of the willingness of its people to work out their differences in a spirit of fairness and mutual respect.

[*Translation*]

That respect, Mr. Speaker, is fundamental, if the structure of our country is to remain intact, if the strength of our people is to keep on increasing. That is why today I have quite extensively spoken about the problem of inflation, particularly in the oil field, why I have tried to explain the problem and its solution. Of course, Mr. Speaker, in a conflict of interests opposing ten provinces, specifically consuming and producing provinces, and also opposing these provinces to the federal government, since, after all, it is always the same taxpayer who has to foot the bill at all levels of government, in this type of tension which I should hope would be creative between the various levels of government, it is important that citizens and parliamentarians alike understand the true nature of the problem and the solutions we are proposing.

That is why I mentioned two things, Mr. Speaker. I have talked somewhat regretfully of the bitterness which marked this debate and which I have found again in the mouths of the Leader of the Opposition, some of his colleagues, and also, unfortunately, of many people, especially in western Canada, a bitterness which results from a lack of understanding, Mr. Speaker, and also from the fact that we ourselves had not explained fully the principles on which I elaborated today and which cause all Canadians to wish to share in these resources which belong to them. That is why I have asked the opposition parties to put forward, not only criticisms of our policy, but alternatives as well which they might feel are superior, and which we ourselves would be happy to adopt if in fact they are. But, I beg of them, let them drop the tone of bitterness, of peevishness, which has permeated this debate as well as those that preceded and followed the budget speech, and which does great harm to this country. That is the first point I wanted to make.

I am happy to say, Mr. Speaker, that the accusations made in bad faith did not come from the premiers of the western provinces; but, unfortunately, they came from hon. members opposite. I am also happy that, down deep, in spite of our disagreements, the Alberta and Saskatchewan premiers do not accuse us of bad faith, of misunderstanding; they do accuse us of having interests that conflict with their own; but, I say it again, Mr. Speaker, bad faith does not belong in our debates.

The second point I wanted to bring up is this: what strikes me, as the lack of seriousness—if I may use that gentle expression—shown by some of the leaders of other provinces which benefit considerably from the oil policy we adopted in March, and who, probably for reasons of political or interprovincial solidarity, manage to give reason to Alberta and Saskatchewan in the current debate, against the federal government and the budget of the Minister of Finance, giving them reason in theory, while pocketing in practice the benefits accruing to them through our budget.

[*English*]

The spirit of equitable compromise among differing interests is the glue which holds us together. We are a nation, not because of the borders which surround us but because of our common resolve to live together in peace, tolerance and justice, sharing both the burdens and the benefits of this bountiful land. I am confident, Mr. Speaker, that the current problems of which I have spoken today can be resolved by Canadians, whether in public or private life, working together in a spirit of compromise and co-operation toward greater social and economic justice for all. To that spirit and toward that goal I commit the Government of Canada.

* * *

THE ROYAL ASSENT

Mr. Speaker: Order, please. I have the honour to inform the House that a communication has been received from the administrative secretary to the Governor General which is as follows:

Government House
November 27, 1974

Sir:

I have the honour to inform you that the Honourable Wishart F. Spence, O.B.E., Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Administrator of the Government of Canada, will proceed to the Senate chamber today, November 27, at 5.45 p.m.—

Mr. Baldwin: Mr. Speaker, a point of order.

Mr. Speaker: This is a point of order also. One at a time.

—for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary
to the Governor General

● (1730)

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that this House approves in general the budgetary policy of the government.

Mr. Baldwin: Mr. Speaker, I rise on a point of order. I have never seen a more disgusting display of bad faith regarding matters which are the subject of an agreement.

An hon. Member: You are afraid to listen.

Some hon. Members: Oh, oh!

Mr. Baldwin: The Prime Minister (Mr. Trudeau) took an hour and a half, and outside of some pablum dealing with inflation which he fed to the open mouths of his devoted followers his speech was filled with nothing but glaring inaccuracies and deceptions.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): It was not even his own speech.

Some hon. Members: Sit down.

Mr. Andre (Calgary Centre): Arrogance in the extreme.

Mr. Speaker: Order, please. I understood that the hon. member who was just on his feet was to be the next participant in the debate, which would have given him the opportunity to make the kind of interjection he has just made.

Mr. Baldwin: Mr. Speaker, on the same point of order I would ask how it is possible within the space of 12 minutes to answer this mass of inaccuracies and deceptions.

Some hon. Members: Oh, oh!

Mr. Baldwin: I suggest that it is absolutely impossible, and I should like to know—

Some hon. Members: Order.

Mr. Speaker: Order, please. In the ordinary course hon. members will realize that the message will probably not disturb our procedures until closer to six o'clock than 5.45. If the hon. member for Peace River (Mr. Baldwin) commences now, he will perhaps enjoy his full 20 minutes. I assume there are others who will be addressing themselves to the same type of complaint, for example the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in rising on this point of order I would make the plea to the House that we practice fairness. There was an understanding earlier today that the debate would not end at 5.45 but, rather, would end at six o'clock. When we made that agreement we felt there would be adequate time for at least two 20-minutes speeches following that of the Prime Minister (Mr. Trudeau). I do not complain about the fact that the Prime Minister spoke for an hour and a half, but I think we should now revise the arrangement for today and make it clear that the hon. member for Peace River (Mr. Baldwin) and the hon. member for Oshawa-Whitby (Mr. Broadbent) shall each have 20 minutes.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): To facilitate this, I would suggest that the Gentleman Usher of the Black Rod be asked not to knock on the door until after the two next speakers have had their full 20 minutes.

Mr. Speaker: In light of the challenge that has been put forward by two hon. members in respect of the speech of the right hon. Prime Minister, there seems to be a general spirit of accord that each of those members somehow be provided with 20 minutes in which to make their speeches. I am not able to govern the conduct of the Gentleman Usher of the Black Rod. In any case there seems to be agreement to make an order of the House that however these proceedings finalize today, those two members shall each be granted 20 minutes before the conclusion of the debate.

Some hon. Members: Hear, hear!

Mr. G. W. Baldwin (Peace River): Mr. Speaker, 20 minutes will not permit me to deal with all—

An hon. Member: Come on, stick around.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. It was abundantly clear to all members, despite some stimulating comment, that the speech of the right hon. Prime Minister, although an hour and a half in duration, was listened to very attentively and I think hon. members ought to pay the hon. member the same attention.

Some hon. Members: Hear, hear!

Mr. Baldwin: Time will not permit me to deal with all the inaccuracies; certainly I could never deal with them all in 20 minutes. Never in an hour and a half have we heard so many inaccuracies and so many deviations from the true facts as we heard from the Prime Minister in the course of his speech. Within the time allowed me I will limit myself to dealing with only the most glaring inaccuracies and those areas in which the Prime Minister made a 180 degree departure from the true facts.

I first want to nail down the right hon. gentleman on his statement on the discussion between the first ministers on March 27 of this year, which he said was strictly limited to the question of pricing and dealt with no other issue at all. I have in my hand *Hansard* for March 28 in which is recorded what the right hon. gentleman said in very unctuous words: "We have been great statesmen, I and the other ten first ministers, and have come to an agreement with regard to petroleum products which affect us nationally." He said that the first ministers had displayed extraordinary patience and co-operation and he paid trib-

ute to the spirit of generosity of the ten premiers. Included in the issues which the Prime Minister brought out at that time and related to this House were these which he stated as recorded at page 933 of *Hansard:*

> It was apparent that if we wished to assure the huge investments necessary for adequate future supplies, somewhat higher domestic prices would be essential; that the oil producing provinces—mainly Alberta and Saskatchewan—must be assured a fair return.

That is something more than just the question of pricing. On the next page of *Hansard* the Prime Minister said, talking about the provinces:

> . . . to assisting them on a national basis to develop unconventional new oil sources such as the Alberta oil sands; and to helping them ensure alternative economic development so that future growth can be sustained and diversified in western Canada.

The Prime Minister is convicted by his own statement to this House on March 28, and what he said today is inaccurate and does not correspond to the facts.

Some hon. Members: Hear, hear!

Mr. Baldwin: With regard to the Leader of the Opposition (Mr. Stanfield) the Prime Minister said:

> The price level and the duration of the price at that level are temporary, as he has described them. They comprise a stage in the ongoing process, and I believe that is the proper way to have proceeded.

The Prime Minister is convicted of not having told us the facts, of not having recorded what did happen and not having given this House the views and opinions of the premiers, by these words that appear in *Hansard.* He said there was merely an acceptance of the price agreement and that this was the proper way to proceed. I think the Prime Minister should be somewhat less selective if he is to come into this House and make speeches which he expects the House and the country to accept. I suggest he should adhere much more closely to the truth. As a matter of fact, and I do not know whether it matters, his general characterization of this country is well known.

As I was coming to the House today I was not sure whether I was to speak and a Latin phrase kept running through my mind. I remember it well from the days I studied Latin. I think perhaps it should be put both in Latin and in English and hung high in the office of the Prime Minister, the offices of cabinet ministers and the offices of the national federation of the Liberal Party. I am sure some of my friends of the legal profession will remember the phrase *suppressio veri et suggestio falsi,* or "the suppression of the true and the suggestion of the false". That is the way the right hon. gentleman operates.

I regret that this difficulty has arisen in respect of the meeting of the first ministers on March 27; I regret it very much, because this country in which we live is a difficult one to govern. We have a constitution, albeit a constitution with difficulties, and in order to make it work in any way at all it has become necessary to supplement the written words of the constitution with the actions and agreements of those charged with responsibility—parliament, the legislatures and, particularly, governments. There always will be conflicts, division, arguments and disagreements. There must be trust, which can survive only when agreements made are fully and frankly kept. That has not been the situation here. I shall come to that in a moment.

● (1740)

I say that on March 27, when the first ten ministers and the right hon. gentleman gathered at that meeting, there was a light hanging over 24 Sussex Street. It was not the star of truth; it was not the cross of understanding; it was the double-cross of deceit and dissimulation. It will be exceedingly difficult for provincial premiers to meet with the Prime Minister hereafter with regard to this and related matters. If I were a provincial premier I would not leave a meeting until I had everything down in black and white under the signature of the Prime Minister, the Minister of Finance (Mr. Turner) and the Minister of Energy, Mines and Resources (Mr. Macdonald), because there was deceit when that meeting was over.

Let there be no doubt about this, because the facts lie within our knowledge. I intend to deal with a few of these facts in the time I have left. The clear purpose and intent of the federal government has now emerged from an overall survey not only of its proposed legislation but of the words and conduct of the Prime Minister, the Minister of Finance and the Minister of Energy, Mines and Resources. Beyond any shadow of doubt they propose, under the guise of very questionable legislative proposals—and I certainly do not intend to take any part of the time allotted to me to deal with constitutional issues—to confiscate property clearly belonging to the provincial governments.

There is no question that a combination of certain of the clauses of the petroleum administration bill and the amendments to the Income Tax Act which are contained in the ways and means motion are calculated to interfere with the right to ownership of natural resources to such an extent that to all intents and purposes the provinces involved at this particular time can be said to have lost effective control. There is a legal definition of theft. It means taking and converting to your own use without any power of right. That is what this government is attempting to do with these legislative proposals. The purpose of this legislation will be to so alter the right of the provinces to deal with their natural resources, not merely those things over which they have jurisdiction but that are their property, that it will be beyond their capacity to deal with them adequately within the scope of the constitution as it was intended they should.

That is what has emerged from this debate up to the present time. This certainly has been confirmed by the words of the Prime Minister tonight. I suggest that when a federal government, in exercising the very sweeping powers of taxation which it has, conducts itself so as to act in a way to do violence to the spirit of the constitution, there must be some avenue open to the citizens of the provinces affected. The Minister of Finance stands up in this House and appears on radio and television programs and says that the provinces are entitled to royalties, but that he, the Minister of Finance, will be the sole judge and jury concerning what will constitute the extent of the royalties, and if in his opinion the royalties go over a certain figure, he will say what the royalties shall be.

These are royalties in respect of resources which were plainly given to the provincial governments. They belong to them. These are rentals on property which belongs to the provincial governments. The Minister of Finance says

that he will determine what is an adequate royalty, and if he thinks it is too high he will disallow it in his capacity as lord justice and high executioner. Let me tell you, Madam Speaker, there is a spirit abroad in this country which takes offence at the words contained in the speeches of the Minister of Finance, repeated tonight by the Prime Minister, and this will do little to allay the spirit of frustration, anger and annoyance throughout western Canada and parts of the Atlantic provinces. Hon. members opposite may jeer at me, but I say to them that they are fooling with forces lying beyond their control and it would augur well if they would heed what the situation is. If they do not want to be known as the godfathers of confederation, let them take heed of their actions.

Let me now turn briefly to the issues surrounding the meeting of March 27 and the statements made by the Prime Minister. During the winter and fall of 1973, issues had arisen in this country involving the supply, transportation and cost of petroleum products. There had been concern, anguish and great anxiety. Threats had been made by the provincial governments and the federal government. There had been concern on the part of a great many people and the oil industry. As a matter of fact, it is rather interesting to note that at a meeting of the committee on natural resources in November, 1973, the Minister of Energy, Mines and Resources urged the provincial governments to increase the extent of their royalties. He suggested they were the judges of the extent to which they should be increased. I shall not go into that matter to any great extent; however, that statement appears on the record.

Prior to the meeting of March 27 there had been concern and anxiety. This is not contradicted by the Prime Minister. The Prime Minister met with the premier of Alberta on March 4. At that time the Premier of Alberta told the Prime Minister that it was his intention in due course, not too long from then, to increase royalties. He indicated specifically the extent to which he intended to raise them. That was made quite plain. I suggest that if the Prime Minister had the gumption and honesty he should have, he would have said categorically to the Premier of Alberta that this was not satisfactory. He should have said that he would not accept this attempt to increase royalties to such an extent. He should have added that the government did not agree with it and would not allow it.

Surely this is what first ministers have meetings for, so that they can honestly and frankly lay their cards on the table. In the words of an insurance contract, it is not enough not to be deceitful; it is essential to be completely frank and truthful and to tell all the facts. There must be the utmost good faith. In the name of heaven, how can anyone in this House, after hearing the Prime Minister and reading the contents of the letters, say that he accorded anything like good faith to the Premier of Alberta in these discussions? If we need any corroboration on the issue of equalization, we have the discussions with the Premier of Saskatchewan. I am not as well acquainted with the Premier of Saskatchewan as I am with the Premier of Alberta, but from what I know of him he is an honest, reasonable and truthful man. Each of the leaders of these provinces, the premier of Alberta and the premier of Saskatchewan, has said they were deceived and that there was dissimulation on the part of the Prime Minister and the Government of Canada.

They have said that when they emerged from the meeting of March 27 they had every reason to believe they had reached agreement and knew what the facts were. When I hear these gentlemen make such statements, even if I were not an opponent of the Prime Minister but were an unbiased observer I would have to say that the balance of credibility goes against the Prime Minister. On March 27 the government had in place the petroleum administration bill. Four days later they introduced it in the House for first reading, including four provisions which were entirely contrary to the agreement reached on March 27.

● (1750)

The Attorney General of Alberta, appearing before a committee of the House earlier this year, said, "Here are the things we agreed to about Bill C-18, and here are the things we disagree with." He enunciated them clearly and categorically. He said that these were not subject to the agreement and they were not discussed. In fact, the agreement, to the extent it was discussed at all, was contrary to the provisions to which I have referred. So at the very time the Prime Minister was standing in the House after saying goodbye to his friends, the ten provincial leaders, at the last supper, he had in place a legislative proposal which was contrary to the views of the ten provincial premiers. Just five or six weeks later the budget was brought down.

I read the letter of March 12 to which the Prime Minister referred today. Any reasonable person can search that letter to find anything by which the Prime Minister suggests it is the intention of the government to disallow provincial royalties. Of course, the Prime Minister said that the federal government intended to exercise its right to tax corporations as it saw fit. But that is far different from the frank, forthright, honest and decent treatment which the ten provincial premiers are entitled to receive from the Prime Minister. The very evening he had discussions with them he had ready budgetary proposals which destroyed the whole basis of their discussion. That is what he did. Legislation must be prepared ahead of time. The income tax Act amendment is very thick, and the ways and means motion, translated into French and English, is a lengthy, formidable document not prepared overnight. I do not believe the Prime Minister for one moment when he says that he was not aware, on March 27, of what the Minister of Finance and his government intended to do with regard to royalties. He knew it.

Mr. Cullen: He said he did not.

An hon. Member: Are you kidding?

Mr. Baldwin: You can take your choice—ignorance or deceit. That is not dealing in honesty and good faith. How can you have meetings of the first ministers of the provinces and the Prime Minister in order to carry forward the essential business of this country under circumstances of this kind? Any first minister dealing with the federal government will have holes in his head unless in the future he has the most categorical assurance in writing, and if I were him I would have it sworn to as well. That is why I spoke about the Bible.

I do not have much time left, Madam Speaker, but I want to make this statement. There are many things I

would like to say, but let me make this point. The world is in a difficult state. One need only travel outside Canada, outside the scope of government publications, to know that there is a great deal of pessimism abroad in the world today and much of it is justified. No matter what we do in the country, even if we give the government credit for doing the things we would like to see done, we are not immune from the difficulties that will wash over Canada. We will have to deal together, the people, the government of Canada and the provinces, in good faith, honesty and forthrightness if we are to come anywhere close to surmounting these problems.

I suggest to the government that in view of its record of deceit and dissimulation it should withdraw that part of the budget relative to taxation. The government should not withdraw these provisions completely but should put them to one side, do what the Postmaster General (Mr. Mackasey) used to say and what the Minister of Labour (Mr. Munro) says, namely, go back to the bargaining table. That is the place where this issue should be settled between the provincial premiers, the Prime Minister and the federal ministers. I suggest that this can be done in spite of what has happened. It is not too late yet. I would suggest to the government that if they want this country to rise above the sea of troubles that will confront us, they should embark now on a program of frankness and honesty. They should deal in good faith with the provincial governments, otherwise I am afraid we will be in serious trouble.

Mr. Edward Broadbent (Oshawa-Whitby): Madam Speaker, at the outset, because the Prime Minister (Mr. Trudeau) spent so much time on the Liberal Party's oil policy, as he described it, generated as he said by the Liberal backbenchers, I would like to make a very brief comment on the origin of that so-called Liberal oil policy. First of all I want to say that in so far as the Liberal government has a policy that is in any way substantial or worth while, it is entirely the product of negotiations that took place between the NDP and the Liberal Party last December.

Some hon. Members: Oh, oh!

Mr. Broadbent: I hear howls from the backbenchers. Let me document this.

Some hon. Members: Oh, oh!

Mr. Broadbent: May I have the attention of members, please? We listened to the Prime Minister for a considerable length of time.

Some hon. Members: Oh, oh!

Mr. Broadbent: Can I have the attention of the House, Madam Speaker?

The Acting Speaker (Mrs. Morin): Order, please. The hon. member for Oshawa-Whitby (Mr. Broadbent) has the floor. The Chair would appreciate it if he could enjoy perfect silence.

Mr. Broadbent: Briefly stated, there are four essential aspects of that policy. There is a uniform national price for oil which the Liberals had rejected until last December. There is the export tax that they mysteriously accepted last December and which during the previous nine months or so was denounced around the country by the Minister of Finance (Mr. Turner) and the Minister of Energy, Mines and Resources (Mr. Macdonald). There is the acceptance of the need for a national pipeline, which the Liberal Party had denounced for many months in 1973. Finally, there is the establishment of a national petroleum corporation. These were the four points which were dismissed out of hand by that wonderful, smug cabinet and by a set of backbenchers who were so laudatory in their support of the policy enunciated here today. All those points were proposed, argued for and forced upon a reluctant minority government by the NDP.

Some hon. Members: Hear, hear!

Mr. Broadbent: Apparently the Prime Minister has trouble reading even the daily newspapers, but he quoted from today's Ottawa *Citizen*. He attributed to Premier Blakeney of Saskatchewan a view and a policy that is entirely incorrect, and all the Liberals cheered. This part he attributed accurately, and I will read it:

● (1800)

> . . . as a matter of principle the provinces should get everything over and above a fair return for the corporations.

This is with reference to the corporations operating in the provinces in the resource field. The implication the Prime Minister left with this House and country was that Mr. Blakeney was saying that the federal government should have no access to the corporate taxes of those corporations.

Some hon. Members: No.

Mr. Broadbent: It is a clear implication. The Prime Minister did not quote further, as he should have if he had wanted to be fair to Premier Blakeney. I will get to some of the serious omissions in the correspondence to which the Prime Minister referred. I will not quote what Premier Blakeney said at length, but would refer hon. members to page 9 of the Ottawa *Citizen*. The Premier of Saskatchewan makes it clear that the federal government is entitled to and should have tax benefits from profit derived by corporations operating at the provincial level. That is surely a totally supportable position. It is one which the Premier of Saskatchewan has taken for some time, but this afternoon the Prime Minister deliberately distorted it beyond recognition.

I want to say, Madam Speaker, that as a thoroughly committed federalist I was dismayed, as were my colleagues, to see a provision in last May's budget which prohibited corporations from deducting provincial royalties from federal taxes. Such provision strikes at one of the basic roots of Canadian federalism. As a constitutional expert, the Prime Minister knows very well, and the New Democratic Party agrees, that in Canada we need a strong federal government to deal with many of the problems which are national in scope. That is beyond argument. The Prime Minister also knows that the surest way to produce disunity and undermine the authority of the central gov-

ernment is for that government to move arbitrarily and unilaterally into a major area of provincial jurisdiction.

In our view, the federal government's position on resource taxation is such a move. For the first time in our history the federal government is saying to the provinces that provincial royalties on resources will no longer be deductible by corporations for taxation purposes. In case there was the slightest doubt about that, the Prime Minister dealt with it at length this afternoon.

It is important to note, Madam Speaker, that this issue is not simply a matter of the federal government versus the oil producing provinces of western Canada. I think it is important to stress this point particularly in this budget debate because during the past eight or ten days that has been the principal focus, aided and abetted, I would suggest, by the Prime Minister himself. It is a posing by the federal government in respect of national interest, in opposition to the western provinces. That is the way the Prime Minister would like to see the issue go. This is a matter which affects all the provinces, Madam Speaker, and it is one upon which all the provinces have made their views known to the Prime Minister. In the communiqué issued following the annual conference which took place in Toronto on September 12 and 13, the premiers expressed their strong opposition to the federal government's then recently expressed position on resource taxation. I quote briefly from the communiqué:

> The premiers were unanimous that the non-deductibility of provincial royalties and mining taxes in determining federal income tax was contrary to the spririt of confederation.

That was a unanimous declaration by Canada's ten provincial premiers. They described this action of the federal government as a blow to federal-provincial relations and strongly urged the Prime Minister to remove the non-deductibility provisions from his forthcomimg budget; that is to say, from the budget they knew was coming within a month. In complete disregard of this sensible and constitutional request, the Prime Minister and the Minister of Finance reintroduced the objectionable proposals in the budget that was presented to this House last week. That was done with the full knowledge that such action would produce confrontation and prevent co-operation from all our provinces.

Why are the provinces united in their opposition to the federal government's non-deductibility policy? Perhaps this is the most serious question that has to be faced. It was not faced in a serious way this afternoon by the Prime Minister. The provinces object because such a policy impinges in a financial way upon one of their traditional domains, ownership and control of their natural resources. They ask why a royalty paid by one company to another should be deductible when a royalty paid to a province is not. The second and related basic question is why a royalty paid by a Canadian company to a foreign government should be deductible from federal tax, but one paid to the province of Ontario or Quebec is not. That is an important question which the Prime Minister dealt with this afternoon. The government's sole justification for federal incursion into provincial rights is its contention that all Canadians should have a right to share in the benefits of the natural resources of this country. The Prime Minister tried to make that point this afternoon. This is so self-evident and so simple in principle that no one, including the provinces, argues against it. The Prime Minister has created a straw man to attack. He thinks he has made a substantive policy decision by destroying the straw man he himself has created.

The point in dispute now is not the right of all Canadians to share directly or indirectly in our natural endowment; rather, the point in dispute is the means of achieving this goal. To begin with, you do not get a determined spirit of co-operation on this issue by the ten provincial premiers by taking away a right they have correctly assumed has been theirs since confederation.

Some hon. Members: Hear, hear!

Mr. Broadbent: Surely that should be self-evident. Such an approach produces only resentment, anger and non-cooperation in the premiers of all the provinces, not just the premiers of the two oil producing provinces. What is required is a frank reassessment of our approach to equalization in Canada. This is essentially what Premier Blakeney, among others, has been saying for many months now. Until such reappraisal takes place and new ingredients are added to a mutually agreeable formula, it is fundamentally wrong, in the view of the NDP, for the federal government arbitrarily to change the existing rules of constitutional practice.

What is so reprehensible about the government's action is that it has produced, entirely on its own initiative, an atmosphere of distrust and suspicion from a foundation last March, to use the Prime Minister's words, which was one of good will and deep commitment to Canada. That is the atmosphere he described and reported back to the House last March. The Prime Minister's disregard of a solemn commitment has led to the present situation. I say that with care and deliberation. His disregard of a solemn commitment has led to the current constitutional problem on this issue.

During the many months of last winter's energy crisis a series of meetings at every level of government took place. Finally, in March, an agreement was reached concerning oil prices and related taxation policy control, again referring to what the Prime Minister said this afternoon, pertaining in particular to the establishment of capital funds. This agreement would not have come about but for the provinces of Alberta and Saskatchewan.

● (1810)

An hon. Member: And Ontario.

Mr. Broadbent: Those two provinces sacrificed millions of dollars, in the national interest, by accepting a lower Canadian price for oil than the market situation would have permitted. All of us in other parts of Canada owe a debt of gratitude to the people of Alberta and Saskatchewan for this direct and costly sacrifice. On March 28, following that meeting, the Prime Minister (Mr. Trudeau) said in this House:

> Yesterday was a great day for federalism . . . the national oil agreement would surely not have been possible without the goodwill and deep commitment to Canada of the premiers of Alberta and Saskatchewan.

The March 27 meeting of the first ministers was primarily a formalization of agreements reached earlier in the month between the Prime Minister and the premiers of Saskatchewan and Alberta. This is an important point, and it is one which is made clear in the correspondence which was tabled in the House on Monday by the Prime Minister. Two points are crucial to the understanding of the substance and process of the unilateral breaking of this commitment by the federal government. First, in his two letters to premiers Blakeney and Lougheed dated March 12, the Prime Minister refers to the "one year accord" reached between him and the premiers. Second, in both these letters, in addition to the agreement on price—and contrary to what the Prime Minister said this afternoon, this was not simply an agreement on price—there was a specific commitment not to consider for equalization purposes oil revenue placed by the provinces in special capital funds to be used for the development of future energy sources. I quote from the Prime Minister's letter to Premier Blakeney, dated March 12:

I understand that it is intended that the funds shall be used to develop sources of energy to replace the diminishing oil reserves. Under such circumstances we would propose that these capital amounts would not be included in the revenue base for equalization.

Nothing could be less unambiguous. The same commitment was made in the Prime Minister's letter to Premier Lougheed. In his reply on this point, Premier Blakeney concurred and requested an assurance that—and I quote—"this approach will not be abandoned to our detriment after the interim agreement expires." What Mr. Blakeney did not know was that the federal government would not wait until the one-year period of the agreement had expired before taking action. The budget presented by the Minister of Finance last week completely reneged on this commitment. The provision which stipulates that one-third of the additional oil revenues in the oil producing provinces would be considered for equalization purposes clearly revokes the commitment made by the Prime Minister last March. The Saskatchewan government has calculated that this will cost them about $40 million.

The New Democratic Party opposes, in the strongest possible terms, this course of events. We urge the government to live up to its commitments to the oil producing provinces by withdrawing the provision that one-third of the oil revenue be considered for equalization purposes. Further, and of equal importance, we urge that it live up to its obligations to all the provinces by withdrawing the provision for non-deductibility of provincial royalties for tax purposes as applied to corporations in the resource sector. Such steps are not only compatible with a strong and stable federal government, but under present circumstances they are essential to its realization.

Mr. Speaker: Order, please. It is my duty at this point, pursuant to the order made earlier this day, to interrupt the proceedings forthwith and put the question on the motion now before the House. Is it the pleasure of the House to adopt the said motion?

Mr. Knowles (Winnipeg North Centre): On division.

Mr. Baldwin: On division.

Motion (Mr. Turner, Ottawa-Carleton) agreed to.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Deputy Administrator of the Government of Canada desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

● (1830)

And being returned:

Mr. Speaker informed the House that the Deputy Administrator of the Government of Canada had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-17, an act to amend the Army Benevolent Fund Act—Chapter No. 3.

Bill C-22, an act to amend the Canada Pension Plan—Chapter No. 4.

Bill S-4, an act to amend the Customs Act—Chapter No. 5.

Bill C-27, an act to amend the Customs Tariff—Chapter No. 6.

Bill S-7, an act to authorize federal trust companies and loan companies to increase the monetary limit of their borrowing power and to issue subordinated notes—Chapter No. 7.

Bill C-4, an act to amend the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act—Chapter No. 8.

At 6.33 p.m. the House adjourned, without question put, pursuant to special order made this day.

HOUSE OF COMMONS

Thursday, November 28, 1974

The House met at 2 p.m.

[*English*]

PRIVILEGE

MR. COSSITT—ALLEGEDLY MISLEADING STATEMENTS OF MINISTER ON APPROVAL OF LOCAL INITIATIVES PROJECTS

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a question of privilege which affects the rights and privileges of all members since it may involve seriously misleading and inaccurate information being furnished to the House by a minister.

On October 23, as shown on page 647 of *Hansard*, I asked a question of the Minister of Manpower and Immigration (Mr. Andras) on the subject of the Local Initiatives Program grants, namely as to why constituencies represented by Liberals received approximately $15 million more than constituencies represented by Conservatives. Since it is pertinent to my question of privilege I will read the minister's reply:

● (1410)

Mr. Speaker, it was based on the worthiness of applications by the sponsors in the various areas of Canada, coupled with the degree of unemployment and the formula which I enunciated in this House on several occasions.

In a supplementary question I asked the minister whether he could assure the House that political considerations were not involved in such grants and he replied, as shown in *Hansard:*

Most certainly, Mr. Speaker.

The information thus given by the minister to the effect that the Local Initiatives Program is completely outside politics has consistently been the contention made by the government to hon. members of this House.

Copies of documents which I am prepared to table have come into my possession indicating that the minister and the government have seriously misled the House and that the awarding of LIP grants has not always been done on the basis outlined to the House by the minister but, instead, often on the basis of political considerations.

To clearly establish my case of privilege I refer briefly to certain of these documents as follows: One, a memorandum dated January 30, 1973 to D. C. Trehearne, at the time director of programs of LIP, from the minister's office, signed by R. J. Gairns, headed "LIP Applications—MP Priorities", and seeming to order on behalf of the minister's office that LIP applications specifically listed in the memorandum be approved in constituencies represented by 10 specifically named Liberal members of parliament and one specifically named New Democratic member of parliament.

The second document is dated January 25, 1973, headed "Confidential" and "Memorandum to the Minister", signed by J. M. DesRoches, then deputy minister of manpower, which establishes that the country was divided into regions with certain Liberal Cabinet ministers having veto power over LIP applications in such regions as illustrated by these words on page 2 of the memorandum: "No project is approved without concurrence of the regional minister".

The third document is a letter to the minister of manpower dated November 30, 1972, signed by the then Minister of the Environment, Jack Davis, stating:

As the minister with a responsibility to review these projects for British Columbia, I ask that no project be given final approval until clearance has been obtained from this office.

The fourth document is a letter in reply to the Minister of the Environment dated December 6, 1972, signed by Robert K. Andras, and containing this significant statement in the last paragraph:

Certainly my office will make every effort to ensure you are properly consulted on LIP projects in British Columbia . . .

I am also prepared to table a memorandum with attachment dated December 8, 1972 signed by R.J. Gairns, head of the LIP special information group and addressed to Dan Coates, executive assistant to the minister, establishing further the existence of politics in the LIP program; and finally, a memorandum to the minister dated December 29, 1972, establishing what appears to be a connection with the LIP special information group and those who were considered to have a political interest in LIP.

In conclusion, Mr. Speaker, I believe these documents clearly illustrate that the minister and the government may have seriously misinformed and misled this House, and if in your judgment I have a legitimate case of privilege I would move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the matter be referred forthwith to the Committee on Labour, Manpower and Immigration.

Mr. Speaker: Order, please. I have grave reservations about the validity of the question of privilege, which I will develop momentarily if necessary. I do not like to receive representations on matters of this sort from only one side of the House, and if the minister wishes to make an intervention on the matter I will hear him.

The hon. member was good enough to give the Chair notice, as is required, of his intention to raise a question of privilege. In addition the hon. member gave the Chair, only recently, a copy of his notes to be used in the presentation of the question of privilege, which was of great assistance to an understanding of the detailed nature of this grievance. Again I use the word "grievance" as opposed to "question of privilege", because it is evident from the remarks of the hon. member that what he has is a dispute as to the quality of the reply of the minister in the House, and a dispute as to the accuracy of the information

he has obtained in reply to questions asked during the question period. In addition, there perhaps is a clear difference of opinion between the hon. member and the government in respect of the matters under the administrative responsibility of the government.

The matter is made perfectly clear, if it was not otherwise understood, by citation 113 of Beauchesne's, one sentence of which reads as follows:

But a dispute arising between two members, as to allegations of facts, does not fulfill the conditions of parliamentary privilege.

Accordingly, I would have to hold that, while the member may have a difference of opinion or grievance, he has several other avenues to explore in order to take that up with the minister and this does not in any way constitute a prima facie question of privilege.

Mr. Andras: On the point of order, Mr. Speaker, I think the hon. member would have served the House well if he had considered many other statements I have made in this House and publicly, to wit that I give very significant credence to representations of members of parliament of all parties, from both sides of this House, in this type of decision.

Some hon. Members: Hear, hear!

Mr. Andras: This type of decision about which projects will or will not be approved requires judgment in every case. Although I fully appreciate and respect the talents and integrity of the public service I have always said to my officials that the elected representatives of the people who sit in this House have knowledge and understanding of their constituencies and the conditions in those areas as represented by the fact that they were elected in the first place. I would entertain, and have entertained, from many members from all sides of the House, from all parties in the House, views with regard to which projects are or are not appropriate to be approved, while maintaining for myself, which is proper and is my job, the responsibility to make the final decisions. That is how I have exercised my responsibility.

Mr. Speaker: Is the hon. member for Calgary North rising on the point of order?

Mr. Woolliams: Yes, Mr. Speaker, I should like to speak to the point of order. It is true that ne has asked the members to help set up committees and make decisions, but he has overlooked one fact. A place like Calgary North might get $50,000 or $70,000 while the Minister of Energy, Mines and Resources last time got almost a million some odd, so I think there is a little hanky-panky going on. It does show one thing—there is a little influence.

Mr. Speaker: Order, please. In the manner in which this honourable chamber often manages to balance things out on its own it seems to me that we have had countervailing non-points of privilege and non-points of order on the same day. It might be well to get on with the business of the House.

[Mr. Speaker.]

ROUTINE PROCEEDINGS

[*English*]

ENERGY

TABLING OF CORRESPONDENCE BETWEEN PREMIERS OF ALBERTA, SASKATCHEWAN AND PRIME MINISTER

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, you will recall that on Monday I tabled some correspondence which at that time had not been translated because I had only a few hours before I received authority to table it. The whole series of letters has been tabled but now I should like the House, under Standing Order 41 (2), to permit me to table them in translated form.

* * *

AUDITOR GENERAL

TABLING OF REPORT FOR YEAR ENDING MARCH 31, 1974—REFERENCE TO STANDING COMMITTEE ON PUBLIC ACCOUNTS

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I should like, pursuant to Standing Order 41(2), to table the report of the Auditor General for the fiscal year ending March 31, 1974.

I wonder, on behalf of my colleague the President of the Treasury Board, if I could ask the unanimous consent of the House that the report of the Auditor General be referred to the Standing Committee on Public Accounts at the earliest opportunity.

Mr. Baldwin: Mr. Speaker, I wonder whether there is any significance in the fact that this report seems to have a red cover?

Mr. Speaker: Order, please. The suggestion has been made that the House give unanimous consent that the report referred to be referred to the standing committee. Is it so ordered?

Some hon. Members: Agreed.

* * *

ENERGY

TABLING OF REASSESSMENT OF TIDAL POWER DEVELOPMENT IN BAY OF FUNDY BY THE TIDAL POWER REVIEW BOARD

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to Standing Order 41(2) I should like to lay on the table a preliminary reassessment prepared by the Tidal Review Board with regard to the feasibility of tidal power development in the Bay of Fundy.

● (1420)

TEXTILE AND CLOTHING BOARD

TABLING OF REPORT ON BROAD WOVEN POLYESTER, DOUBLE KNIT AND WARP KNIT FABRICS

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2), I wish to table in both official languages copies of Textile and Clothing Board reports on broad woven polyester filament fabrics, double knit and warp knit fabrics and woven fabrics of nylon or filament rayon.

* * *

UNEMPLOYMENT INSURANCE

DENIAL OF BENEFITS TO CERTAIN CLAIMANTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, under the provisions of Standing Order 43 I wish to move a motion of urgent and pressing necessity. Many citizens of Canada who are unemployment insurance claimants and who are legitimately seeking employment in compliance with unemployment insurance regulations are being denied benefits as a result of lack of flexibility and compassion in realizing particular geographical problems and a lack of employment opportunities in certain areas of Canada, and as a result are being discriminated against by district officers who, through no fault of their own, must comply with government regulations which do not take account of the facts.

I therefore move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the government direct that the Unemployment Insurance Commissioner be dispatched with hardship pay to proceed to those rural districts in Canada to interview the many claimants who wonder about equality of opportunity for all Canadians, and that the matter be referred to the appropriate standing committee for debate and decision.

Mr. Speaker: Order, please. I have sympathy with the proposal of the hon. member in the motion which he read pertaining to an important subject matter in this session. However, the provisions of Standing Order 43, I repeat, contain the specific words that the matter must be of urgent and pressing necessity. It seems to me that the contents of the motion refer to a situation which is not new but is rather a continuing difficulty. It has no element of urgent and pressing necessity at present. Accordingly, I must rule that although it is an important subject to be brought to the attention of the House, it does not conform with the requirements of urgent and pressing necessity contained in Standing Order 43.

THE SENATE

SUGGESTION GOVERNMENT MEASURES BE INTRODUCED IN HOUSE OF COMMONS AND THAT SENATE BE ABOLISHED—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stuart Leggatt (New Westminster): I also rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity and one that is new.

Some hon. Members: Oh, oh.

Mr. Leggatt: In view of the fact that new government legislation has been introduced in the Senate with respect to the alteration of penalties for the possession and trafficking of marijuana, long awaited by the Canadian public, and in view of the fact that there is now ample evidence that this legislation will be further delayed in the Senate for intensive hearings in Committee, in spite of the four years study by the LeDain Commission and the expenditure of $4 million of public money in that study, and in view of the urgency that that legislation come before the House as soon as possible, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House request that government bills generally be initiated in this House and not in the Senate, and that the House request that government legislation be proposed to abolish the Senate for presentation to this House at the first opportunity.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I may have some grave reservations about the validity of the substantive part of the motion, but there is no doubt that the preamble makes it qualify for consideration pursuant to Standing Order 43. Accordingly, I ask whether there is unanimous consent that the motion be debated.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be debated at present.

* * *

INDIAN AFFAIRS

SUGGESTION INDIAN BANDS BE PAID MONEY OWING TO THEM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stan Schellenberger (Wetaskiwin): I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the distressing economic situation of Indian bands, the inability to secure funds in the Hobbema area for economic development and the failure of the government to provide funds rightfully belonging to these bands, I move, seconded by the hon. member for Red Deer (Mr. Towers):

That the government take immediate steps to pay to the Indian bands their money in order that they will be able to honour their economic contracts.

Some hon. Members: Hear, hear!

Measure for Abolition of Court

Mr. Speaker: Order, please. The House has heard the terms of the motion proposed pursuant to Standing Order 43. It cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be debated at this time.

* * *

[*Translation*]

EMPLOYER-EMPLOYEE RELATIONS IN PUBLIC SERVICE

CONCURRENCE IN SECOND REPORT OF JOINT COMMITTEE

Mr. J.-J. Blais (Nipissing) moved that the second report of the Special Joint Committee on Employer-Employee Relations in the Public Service, presented to the House Tuesday, November 26, 1974, be concurred in.

Motion agreed to.

* * *

ACT RESPECTING OFFICE OF SECRETARY TO THE CABINET FOR FEDERAL-PROVINCIAL RELATIONS AND CLERK OF PRIVY COUNCIL

MEASURE TO PROVIDE FOR APPOINTMENT AND REMUNERATION

Right Hon. P. E. Trudeau (Prime Minister) moved for leave to introduce Bill C-38, respecting the office of the Secretary to the Cabinet for Federal-Provincial Relations and respecting the Clerk of the Privy Council.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

[*English*]

ACT TO REVISE REFERENCES TO COURT OF QUEEN'S BENCH OF PROVINCE OF QUEBEC

MEASURE TO AMEND STATUTES IN VIEW OF ABOLITION OF COURT

Hon. Otto E. Lang (Minister of Justice) moved first reading of Bill S-16 (from the Senate), to revise references to the Court of Queen's Bench of the Province of Quebec.

Motion agreed to and bill read the first time.

[Mr. Schellenberger.]

ORAL QUESTION PERIOD

[*English*]

PUBLIC SERVICE

STRIKE OF GRAIN INSPECTORS—BASIS OF OFFER TO EMPLOYEES—GOVERNMENT ACTION TO SETTLE

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the President of the Treasury Board. In view of the fact it has been reported that the justification used by the federal Treasury Board for denying grain inspectors wage increases comparable to those given to grain handlers in Vancouver is based on the premise that the inspectors, who are federal employees, do work that is unrelated to the grain handlers who are employed by private grain companies, could the minister explain how this can in any way be considered logical? The federal government, by law, forced the private companies to pay an increase of between 54 per cent and 61 per cent, but now refuses to grant its own employees an equal increase to even one-quarter of the amount that was granted previously?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, the grain inspectors have chosen to strike and they are perfectly entitled to do so. The board of conciliation presented both a majority report and a minority report. The latter, written out by a union representative, accomplished far less than the act passed last fall. I fail to see therefore why the Treasury Board should offer more than was suggested by the union representative to the conciliation board.

[*English*]

Mr. Murta: Mr. Speaker, a supplementary for the President of the Treasury Board. In all sincerity I say to him that I do not believe the government is aware of the seriousness of the present situation. In talking with grain company officials in Winnipeg this morning it became apparent that we are faced with loss of sales in the next two or three days unless something positive is done. Since the grain industry is being brought to its knees because of the strike, may I ask the minister what positive and immediate measures the government is considering in order to get grain moving again or does it intend just to sit around and wait?

● (1430)

[*Translation*]

Mr. Chrétien: Mr. Speaker, the Parliament of Canada gave government employees the right to strike. I feel that it behoves us to respect that right as long as the Parliament of Canada does not withdraw it. That is why we asked a mediator to intervene this morning. We trust that we can achieve a settlement through standard procedures without being forced to withdraw the right to strike granted the public service by the Canadian Parliament.

[*English*]

Mr. Murta: Mr. Speaker, as the Minister of Labour is absent, may I direct my supplementary question to the President of the Treasury Board. The President of the Treasury Board indicated that he hopes that an agreement

will soon be reached. Has he any concrete information on which to base his belief that an agreement will be reached with the grain inspectors and that they will be back at work in a short time. If not, in view of the serious consequences to the total Canadian economy, is the government prepared to bring in emergency legislation, to order these people back to work?

[*Translation*]

Mr. Chrétien: Mr. Speaker, since the beginning of the strike earlier this week, we are continually in touch with the unions. This morning, Mr. Finkelman has appointed a mediator and we hope he will be able to bring the two parties to an agreement, but I cannot predict what will happen in the future.

[*English*]

STRIKE OF GRAIN INSPECTORS—SUGGESTED RECALL FROM MEXICO OF MINISTER OF LABOUR

Mr. Doug Neil (Moose Jaw): Mr. Speaker, may I direct my question to the Prime Minister, in the absence of the Minister of Labour. As grain movements out of Canada have been virtually halted for the second time this year owing to the current grain inspectors' strike, and because approximately one million bushels of these shipments consist of famine relief supplies which are intended for starving nations, particularly Bangladesh, will the Prime Minister acknowledge the urgency of this matter by recalling the Minister of Labour from Mexico so that immediate action may be taken to ensure that grain movements return to normal as soon as possible.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the House will want to know, I am sure, that the minister is in Mexico attending the ILO conference, which even members on the opposite side may find important to Canada. The substance of the question has already been dealt with by the President of the Treasury Board, who has responsibility for this rather than the Minister of Labour. It has been dealt with, except to this extent: the question was inaccurate in that the hon. member did not realize that an exception was made for Bangladesh, to which country supplies are being sent.

* * *

TRANSPORT

UPGRADING OF GRAIN MOVEMENT FACILITIES—ABILITY OF MINISTER TO KEEP COMMITMENT IN VIEW OF LABOUR DISPUTES

Mr. Doug Neil (Moose Jaw): Mr. Speaker, may I direct a supplementary question to the Minister of Transport. Will the minister explain to the House how he expects to fulfil the commitment made in the Speech from the Throne concerning the upgrading of grain movement facilities if the grain transport system is continually plagued with labour disruptions which appear to be beyond the control of the government.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I regret that the hon. gentleman decided not to address a serious question to me.

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, if the hon. member wants to tell me that his party is ready to remove the right to strike from all those who are handling grain in Canada, I shall agree with him.

* * *

[*English*]

FINANCE

WINTER WORKS PROGRAM—REQUEST FOR INCREASED FUNDS IN VIEW OF FORECAST INCREASE IN UNEMPLOYMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Finance. As the $350 million winter capital works program fund which was set up in 1972 is now exhausted I ask, in view of the forecast that unemployment levels will increase this winter and in the coming spring, if the minister intends to add new funds to this capital works fund.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we are reviewing this program. The momentum of this program will carry it forward until May 31, 1975. We hope to supplement it by providing some stimulation to the housing market and the construction industry. We hope this will remedy the situation which the hon. member has in mind.

PROVISION OF LOW INTEREST LOANS TO MUNICIPALITIES FOR THE INSTALLATION OF SERVICES—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): A supplementary question, Mr. Speaker. In view of the urgent need for municipal services, particularly the need for finances for services associated with the construction of housing, will the minister consider providing emergency low interest rate loans to municipalities so that they can provide services which are necessary for the construction of an increased number of housing units during the coming winter months.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, there is no doubt, because provinces exercise authority over the priorities under which the money is to be spent, that the winter capital works program in some provinces was directed to the infrastructure in municipal services. The hon. member will recall, of course, that the budget provides tax relief for sewage plants and municipal transport, and this should go some way to relieving that particular problem.

Oral Questions

HOUSING

INQUIRY AS TO GOVERNMENT MEASURES TO INCREASE SUPPLY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I ask a final supplementary question. The minister could have said simply no in reply to my last question. May I direct my supplementary question to the Minister of State for Urban Affairs. As the President of the Canadian Real Estate Association forecast a 10 per cent increase in house prices next year, and given the 30 per cent decline in housing starts this year that forecast is not unrealistic, has the minister any plans in addition to those which were announced in the budget for increasing the supply of housing, as this will be of decisive importance next year.

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I have not seen the report of the President of the Canadian Real Estate Association, and perhaps he has not read my speeches. I think he is entitled to his view, which is held by some people. Nevertheless, I hope my programs will be sufficiently successful to ensure that we will prove him wrong, just as we have proved wrong some respected economic bodies. Certainly, we are concerned about the lower rate of starts. We are not satisfied with that. I outlined a range of programs in my speech on Monday; I hope the hon. member will read it, because he will see that there is a potential there for keeping housing starts high.

* * *

[*Translation*]

IMMIGRATION

HAITIANS—PROPOSAL BY QUEBEC MINISTER OF IMMIGRATION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, my question is for the Minister of Manpower and Immigration.

The Quebec Minister of Immigration has just made public a report that he recently made a proposition to his federal counterpart to help settle the Haitian situation in Canada and to avoid similar ones in the future. Can the Minister of Manpower and Immigration inform the House of the nature of the proposal made by Mr. Bienvenue and what he intends to do in this regard?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I met with Mr. Bienvenue last Friday, I believe, and discussed the whole range of immigration questions, particularly immigration in Quebec. We did, of course, talk about the Haitian problem, but no specific proposal was made at that time and, unless he has sent me a communication subsequently which I have not received since that date, I cannot enlighten the hon. member further.

[Mr. Turner (Ottawa-Carleton).]

FINANCE

REMOVAL OF SALES TAX ON HEAVY TRUCKS—SUGGESTED RETURN OF TAX PAID ON VEHICLES IN DEALERS' HANDS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, may I address my question to the Minister of Finance. As the budget proposes removing the sales tax on heavy trucks, has the minister received urgent communications from a number of associations and dealers who are finding themselves left with heavy, specialized units on which many thousands of dollars of sales tax have already been paid and on which, in some instances, they may be forced to take a loss of over $100,000.

Hon. John N. Turner (Minister of Finance): Yes, Mr. Speaker, I have received representations from members on both sides of the House. We are reviewing the situation again this afternoon.

Mr. Lambert (Edmonton West): Mr. Speaker, may I ask a supplementary question. The minister may recall that there is ample precedent in the past for returning sales tax in these circumstances.

An hon. Member: Under a Conservative government, too.

* * *

ENERGY

TIDAL POWER FROM BAY OF FUNDY—POSSIBLE DEVELOPMENT IN CONJUNCTION WITH THERMAL AND NUCLEAR POWER UNITS

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, my question to the Minister of Energy, Mines and Resources relates to the review of Fundy tidal power which he tabled at two o'clock. May I preface my question by thanking the minister for the cooperation he has shown throughout the review and by tabling the report.

● (1440)

In line with the positive action which has been taken in relation to Funday tidal power development, is it the intention of the governments involved to consider the development of tidal power in conjunction with the possible development of thermal power from the Cumberland coalfields and the development of nuclear power from the proposed nuclear power station to be built at Point Lepreau, New Brunswick?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I should like to thank the hon. member for his introductory remarks. As he notes, the tidal power project as contemplated in the reassessment would involve complementary thermal stations. One of the critical questions would be how large a market might be needed for tidal power in eastern Canada to make the project feasible. With respect to the possible coal deposits in Cumberland County, the federal government is presently financing, with the provincial government, an assessment of the coal resources of Nova Scotia outside Cape Breton Island. Any addition to the power grid in the near future, the likely addition of nuclear power at Point Lepreau and

possibly at some site in Nova Scotia would, of course, build up the over-all grid and make tidal power generation possible.

TIDAL POWER FROM BAY OF FUNDY—INVESTIGATION OF OTHER TIDAL POWER PROJECTS

Mr. Robert C. Coates (Cumberland-Colchester North): My supplementary question relates to the method which will be used by the investigators over the next two years in determining the feasibility of constructing dams to harness the Bay of Fundy tides. Will those engaged in updating the information presently in existence with regard to tidal power production involve themselves in examination of the tidal power operation at La Rance, France, on the Severn River in Great Britain and at Kislaya Bay where a Russian development is said to be taking place?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, those engaged in carrying out the further studies which are now the subject of discussion with the provincial governments would, I believe, wish to examine the systems which are already in place; they would like to follow the hon. gentleman's example by investigating them on the scene. Indeed, it might be desirable if he and I were to investigate the two sites he mentioned in the Soviet Union and Great Britain, though preferably at another time of year.

ESTABLISHMENT OF LONG-RANGE TRANSMISSION GRID—SUGGESTED INVESTIGATION OF WORK OF QUEBEC HYDRO AND NATIONAL RESEARCH COUNCIL

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I should like to join the hon. member for Cumberland-Colchester North in thanking the minister for making the report available. My supplementary arises from the answer given by the Prime Minister a couple of weeks ago on the subject of a long-range transmission grid. Could the hon. gentleman find out what Quebec Hydro and the National Research Council have been doing in connection with long range transmission so that the information going into the Prime Minister's Office can be updated in this respect?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I read the hon. gentleman's question. The principal obstacle to a nationwide grid lies not so much in Quebec as within the Province of Ontario—the linking of northwestern Ontario with the southern part of the province. Ontario Hydro has concluded that for the time being it is not to its advantage to link up the two systems. I can say that the report tabled today does indicate the desirability and the feasibility of better interconnection between the Atlantic provinces and the Province of Quebec in particular—an eastern grid. To a degree there is already such a connection accommodating Churchill Falls power, and the report brings closer the day when there will be further development of connections between those parts of the country.

Mr. Hamilton (Qu'Appelle-Moose Mountain): The minister has touched upon the very point I am trying to make. When he has found out what Quebec Hydro and the National Research Council have done, would he also inform the government of Ontario of the progress which has been made?

Mr. Macdonald (Rosedale): I would be glad to do so. However, Ontario Hydro is a very experienced and well-advised Crown corporation and I am sure the people there are up to date on these matters. However, I will make certain they are familiar with this additional research.

CHURCHILL FALLS POWER PROJECT—PROPOSED CABLE TUNNEL BETWEEN LABRADOR AND NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): My question is to the same minister, Mr. Speaker. As a result of his reference to the Lower Churchill and the potential development of an alternate source of energy, would the minister indicate what progress is being made with the Province of Newfoundland as a result of implementing and building up that potential with regard to the transfer of the power, the submittance of the power between Labrador and Newfoundland through a cable tunnel? And if I do not get the chance to ask a supplementary—

Some hon. Members: Oh, oh!

Mr. Marshall: —has there been any indication that there could be terms of reference indicated to enlarge on the cable tunnel to ask for a cable and transmittal tunnel for transit vehicles?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the matter of a connection between Labrador and the island was the subject of discussion with the Newfoundland ministers several weeks ago here. At the moment we are discussing the question of interconnection both in relation to Churchill Falls power and also with respect to the possible development of some sites downstream, particularly at Gull Island. The difficulty is that the construction costs of the downstream sites would be very substantial and would present a considerable financing problem both to the federal and the provincial governments. In these circumstances I think it is not likely there will be provision for pedestrian or vehicular traffic between Labrador and the island in the very near future.

* * *

FINANCE

ALLEGED INCONSISTENCIES BETWEEN STATEMENTS IN PAMPHLET "BUDGET IN BRIEF" AND STATEMENTS OF MINISTER

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of Finance. In the budget address, the hon. gentleman said—and I quote—that he believed the tax cuts "can help to reduce prices and costs." Does the minister have an exact projection of the extent to which prices will be reduced, and, if so, what is it?

Hon. John N. Turner (Minister of Finance): I hope the hon. gentleman will look through the background material and get a wider perspective of that speech.

Mr. Paproski: Having regard to the vagueness both of that answer and of the statement in the budget address, may I ask whether the minister is aware that the pamphlet "Budget in Brief" makes the bold statement: "Tax cuts will reduce prices." If so, would he tell the House just which we are to believe—his words in this chamber, or his pamphlets?

The pamphlet also says that the reduction in the sales tax "represents an average saving of about $650 per house". Speaking in this chamber, the minister said only that it would "contribute to moderation of prices". Does the statement in the pamphlet represent the government's position, and, if so, will the hon. gentleman tell us what means he intends to use to keep that promise?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the pamphlet "Budget in Brief" and the budget address are readily reconciliable. I hope that when we get to the committee stage the hon. member will be here to put that argument again and I can attempt to reply in the detail that it deserves.

Some hon. Members: Oh, oh!

Mr. Paproski: On a point of order, Mr. Speaker—maybe a question of privilege. I find there are misleading statements in the pamphlet "Budget in Brief". I have found two fairly serious inconsistencies. First, on page eight, the pamphlet states:

It is estimated that at current rates about $1,100 in sales tax is paid on the building materials that go into an average home. The reduction of the tax therefore represents an average saving of about $650 per house.

In his budget address, the minister simply stated:

I am confident that this measure will add stimulus to the industry and will, at the same time, contribute to a moderation of prices for housing.

Some hon. Members: Hear, hear!

Mr. Paproski: On page three of the pamphlet it is stated:

Tax cuts will reduce prices and costs directly or indirectly and increase the take-home pay of Canadians.

Some hon. Members: Hear, hear!

Mr. Paproski: Just to show the minister I have read what he has said, let me point out that in the budget address he simply stated:

I believe the tax cuts can help to reduce prices and costs directly or indirectly, and thus slow down the upward movement of inflation.

Why isn't the minister honest with the House and the Canadian people?

Mr. Speaker: Order. The hon. member has raised a point of order. The fact of the matter is that detailed questions about the budget could have been asked during the budget debate. Moreover, detailed submissions about the legislation to be proposed when those measures are before the committee of the whole—there is a series of budget bills to be considered. The questions put to the minister by the hon. member are related to the subject matter of those bills, yet they might have been acceptable because, at the same time, they were connected with the speech made in the House by the Minister of Finance. In any case, I cannot find that the hon. member has a legitimate point of order.

[Mr. Paproski.]

SALES TAX ON AUTOMOBILES—APPLICABLE TO DATE OF ORDER OR DATE OF DELIVERY

Mr. Robert McKinley (Huron-Middlesex): Mr. Speaker, my question is further to the question asked by the hon. member for Edmonton West regarding the sales tax on trucks which might be on dealers' lots at the present time. Would the hon. gentleman give the House some information on this question and can he also tell us whether or not the new tax on automobiles that he is proposing will apply to new cars which were ordered but not yet delivered or whether it will apply as from delivery dates?

● (1450)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, as I put it to the hon. member's colleague, the hon. member for Edmonton West, I will try to deal with these points in reviewing the application of the sales tax on trucks as it affects inventory. As to the application of the additional surtax on high energy consuming vehicles, I will give the hon. gentleman more detail. We can go into the question in some amplitude when we get the bill before the House.

Mr. McKinley: Mr. Speaker, on a point of order. This is a very urgent matter. Dealers are selling cars and trucks every day and they would like to know the answer within a day or two.

Mr. Turner (Ottawa-Carleton): I will give the hon. gentleman some details of a more precise nature, but I always hesitate to give a precise interpretation of a Ways and Means motion just off the top of my head.

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DRUGS

ALLEGED LACK OF TESTING OF NEW PRODUCTS—SUGGESTED USE OF ALL TESTING FACILITIES

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Why does the drug directorate of the health protection branch, or any other federal health agency, not test all new drugs coming on to the market?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, there is a very good reason. If the directorate itself were to test, in the sense that the hon. member must mean, every single drug that comes on to the market, we would require a lab much larger than any lab presently existing in the country. It has always been our policy to require very elaborate and thorough investigation and testing of drugs on the part of private applicants, and these tests are then checked and verified by scientists of the health protection branch before permission to market is granted. This practice in this area is followed in most other countries.

Mr. Symes: A supplementary question, Mr. Speaker. I find the minister's excuse rather shocking, and he is playing with the public's health in this regard. Let me ask the minister this. In fact the drug directorate makes only random samplings, and in 1973, 5 per cent of the drugs tested had to be withdrawn. Would the minister explore every avenue of drug testing, including private agencies, universities and so on, so that we do not have another thalidomide or similar drug disaster in Canada?

Mr. Lalonde: Mr. Speaker, there is no doubt that the health protection services of this country compare favourably with the health protection services of any other country in the world. So far as the hon. member's question is concerned, we are, of course, continually reviewing our policies in this respect and any means of improving them will be examined. If the hon. member has specific suggestions I will certainly take them into account.

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EXTERNAL AFFAIRS

SUGGESTION PRIME MINISTER DISCUSS UNITED STATES BEEF IMPORT QUOTAS WITH PRESIDENT FORD

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to pose a question to the Prime Minister. In light of the apparent failure of our agricultural officials to discuss United States beef import quotas at the Washington meeting yesterday, will the Prime Minister assure the House that this subject will receive high priority at his upcoming meeting with President Ford on December 4?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have to find out first what the results of the discussions yesterday were. I think the hon. member may be misinformed in saying that there was a failure to discuss them.

* * *

AGRICULTURE

USE OF BEEF IN FOOD AID PROGRAMS—POSSIBLE OTHER MEASURES TO STABILIZE BEEF MARKET

Hon. J. A. MacLean (Malpeque): A supplementary question, Mr. Speaker, which I will direct to the Minister of Agriculture. On November 21, I believe, the Minister of Agriculture stated that he had started to look for countries that could use beef in food aid programs, and he was also looking for other programs which would ensure that the market was stabilized. What has been the minister's response to the proposals made by the National Farmers Union, and what other programs of this sort has he under consideration at the present time to help stabilize the beef and red meat industry?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, while at the world food conference we did discuss with countries in dire need of food aid whether they could use beef, and we were told on two occasions that they could not. We have been exploring other areas to find out whether we could use beef in countries other than those two, but we have not yet had any success. Last Friday afternoon I discussed with the president of the National Farmers Union their proposals, and they are being considered at this time along with several other proposals regarding what we should do.

* * *

CRIMINAL CODE

VIEWS OF MINISTER OF JUSTICE ON ABORTION AND CAPITAL PUNISHMENT

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is directed to the Minister of Justice. An article in yesterday's Montreal *Gazette* quotes the Minister of Justice as saying on the subject of abortion: "I don't think we should have a situation where, parliament having passed the law, we have it in any way widely abused". Would the Minister of Justice tell me whether he feels the same way on the issue of capital punishment?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I can assure the hon. member that it is the view of this government that the appropriate approach to the law is to adhere to it in every respect in regard to all matters.

Mr. Friesen: A supplementary question, Mr. Speaker, which I will address to the Prime Minister. Does the Prime Minister support the Minister of Justice in his point of view?

* * *

UNEMPLOYMENT INSURANCE

DATE OF INTRODUCTION OF AMENDMENTS TO LEGISLATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to my friend the Minister of Manpower and Immigration who is responsible for the Unemployment Insurance Commission. In light of the latest report that the maximum weekly unemployment insurance benefit will rise to $123 on January 1, and in light of the fact that the Minister has indicated that these payments are unproductive, would the minister advise whether the amendments to the Unemployment Insurance Act are now prepared and, if so, when can we expect some priority to be given to the bill?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I did not say that the unemployment insurance benefits paid were unproductive. I said that in my view they should be made more productive. I would be very glad to explain that to my hon. friend in some detail on the first available occasion. As for the amendments to the act, they will be forthcoming and will be presented to the House in due course.

REQUEST FOR ESTIMATE OF AMOUNT OF BENEFITS PAID IN 1974

Mr. Lincoln M. Alexander (Hamilton West): A supplementary question, Mr. Speaker. I see the former minister of labour is very concerned at the fact that I have asked

that question, but notwithstanding that can the minister advise me whether he is in possession of any information which indicates that we are now in for another record year in terms of benefits paid out? If so, what is his prognosis in this regard?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I am not judging the amount of benefits paid out in terms of making or breaking records or not making or breaking records. We pay out benefits to people who are entitled to them in relation to the terms and conditions of their unemployment.

Mr. Alexander: A final supplementary question, Mr. Speaker. I know the former minister of labour dislikes my asking these questions, and I know that the minister of manpower is presently trying to evade my question, but I would ask him to answer it. Has the minister any idea what the benefit pay out will be in 1974? That is all I am asking and I know he has the answer.

Mr. Andras: Mr. Speaker, the hon. member is, not deliberately but inadvertently, misleading the House if he thinks that I have the answer to that right now off the top of my head.

* * *

FINANCE

REASON FOR DIFFERENCE IN TAXATION OF MARINE EQUIPMENT AND AUTOMOBILES

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Finance regarding the extra tax on certain vehicles at a time when the manufacturing, wholesale and retail sectors of the marine industry are suffering from a severe recession. Would the minister explain to the House why he intends to impose such a discriminatory tax as the 10 per cent surcharge, which could bring the extra tax on an outboard motor boat which sold at $6,000 up to $600, whereas a high energy car which can sell for $10,000 to $12,000 would only be taxed on an extra 200 or 300 pounds, which means an extra tax of probably no more than $100?

Mr. Speaker: Order, please.

* * *

● (1500)

AGRICULTURE

HOGS—GOVERNMENT ACTION IN VIEW OF FILLING OF UNITED STATES IMPORT QUOTA

Mr. John Wise (Elgin): Mr. Speaker, in view of the fact that the quarterly quota on hog exports to the United States will be filled by the end of this week, will the Minister of Agriculture inform the House what tentative plans he has made that will deal with this very serious situation?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we do not foresee any great difficulty in respect of pork products. Arrangements and plans in respect of what we are going to do regarding pork products have not been finalized at the present time, but we are working on them.

* * *

FINANCE

KNOWLEDGE OF MINISTER OF REPORT OF NATIONAL ENERGY BOARD WHEN PREPARING BUDGETARY PROPOSALS FOR OIL INDUSTRY

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, last night in the House the Prime Minister said, and I quote:

> We have taken the steps we felt necessary to achieve our objective, consistent with maintaining a healthy industry.

The Prime Minister was referring to oil. I should like to ask the Minister of Finance whether he had the new National Energy Board study on oil supplies before presenting the budget, and whether the studies used by his department in preparing the budget indicated that the exploration level for oil and gas as a result of the budget would increase, stay the same or decrease? I should also like to ask the minister if he will table these studies?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I dealt with that question in some detail in reply to questions put to me yesterday by the Leader of the Opposition. Perhaps the hon. member would refer to those answers, and, if they do not satisfy him, he might put the question to me again tomorrow.

LEVEL OF ROYALTIES AT WHICH GOVERNMENT MIGHT CONSIDER DEDUCTIBILITY

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, my supplementary question is directed to the Prime Minister. In view of his reference twice yesterday in the House to a very high level of royalties eroding the federal tax base, and the statement by the Minister of Finance that the provinces have gone too far, implying that some lower level of provincial royalties might have been acceptable, would the government consider permitting the deductibility of royalties up to some level considered to be reasonable so that Canadians will not be faced with the possibility of freezing in the dark?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think that is an interesting question, and if it had been asked by the premier of one of the provinces some months ago we might have come in with a different budget, although I do not know. Obviously, they did not want to act in that direction.

KNOWLEDGE OF MINISTER OF REPORT OF ECONOMIC COUNCIL WHEN PREPARING BUDGET PROPOSALS DEALING WITH ROYALTIES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask a question supplementary to that of the hon. member for Calgary South and along the lines of a question I asked yesterday. I should point out to the

Minister of Finance that in one chapter of this report it is stated:

The analysis in this chapter suggests that energy strategy should give great weight to the need to encourage exploration for oil and gas . . .

I should like to ask whether the minister knew of the intention and recommendations of the Economic Council of Canada when he prepared his budget which included a tax on royalties as dealt with by the Prime Minister during his hour and a half speech yesterday?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I dealt with that in specific terms in reply to the hon. gentleman yesterday. I can say to him that I had no advance consultation with the Economic Council of Canada in respect of the report. I might add that the Economic Council, by reason of its terms of reference in the statute setting it up, deals with medium and long-term economic prospects for Canada. Of course, members of the House and myself deal in the short-term as it affects these prospects.

Mr. Woolliams: Mr. Speaker, might I ask one further supplementary question?

Mr. Speaker: With all due respect to the hon. member, I think we have now gone beyond even representations on the question asked by the hon. member for Calgary South. In this instance not only is the same question being asked, but the hon. member is asking the same question he asked yesterday, and I think we ought to move on.

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PUBLIC SERVICE

MEAT AND GRAIN INSPECTORS—SUGGESTION INSPECTORS REMAIN AT WORK DURING NEGOTIATIONS—APPOINTMENT OF MEDIATOR

Mr. Gordon Towers (Red Deer): Mr. Speaker, in view of the unhealthy situation existing in the red meat industry which jeopardizes the assurance of supply of red meat to the consumer, due to the meat inspectors and graders striking and working to rule as a result of the affiliation of the meat inspectors with the grain inspectors, would the President of the Treasury Board accept as his personal responsibility the resolving of this disagreement, and while negotiations are taking place will he request all inspectors to remain on the job?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I am advised that meat inspectors and other officers who deal with primary commodities are not on strike. For the time being, only grain inspectors are. Yesterday, some officers left work, but I am advised that they are back on the job today. Anyway, non-designated employees among the 2,300 primary commodities inspectors have the right to strike, since it is a right which was given to them under a parliamentary legislation.

[*English*]

Mr. Towers: Mr. Speaker, in view of the fact that the graders were out on strike yesterday and the inspectors are working to rule, which jeopardizes production in the red meat industry, will the President of the Treasury Board agree that if Mr. Finkelman does not resolve this problem within a few days he will appoint a new mediator?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I was aware that the hon. member was going to ask this question, and a mediator was appointed this morning.

[*English*]

STRIKE OF GRAIN INSPECTORS—PROSPECTS FOR SETTLEMENT IN VIEW OF SIZE OF SETTLEMENT FOR GRAIN HANDLERS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, in view of the fact that we now have a double standard in labour negotiations that has been perpetuated by this government, does the President of the Treasury Board not feel that until a satisfactory explanation is made in respect of the two offers, and I refer to the grain handlers, or until that discrepancy is resolved, the prospects of reaching a resolution to this strike will be severely inhibited?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, there are well known procedures to solve labour conflicts in Canada. As regards those inspectors, as I have said earlier, a conciliation board has presented a report. The majority report has not been accepted by the workers, but I must say that the minority report, as proposed by the union representative, did not even claim as much as the grain handlers have received.

* * *

[*English*]

ENERGY

REQUEST FOR CANCELLATION OF SALE OF CANDU REACTOR TO ARGENTINE—SUGGESTION NO FURTHER SALES BE MADE IN VIEW OF LACK OF SAFEGUARDS

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I would direct my question to the Prime Minister. The Minister of Industry, Trade and Commerce has indicated that the government of Canada is seeking safeguards from the government of Argentina prior to the disbursement of the Cabinet-approved ECD loan of more than $129 million for the construction of a Candu reactor in Argentia. In light of the highly volatile political situation in that country and the very obvious instability of the present Argentine government, will the Prime Minister inform the House whether he is going to cancel the sale of the Candu to Argentina?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would say to the House that this matter is under consideration at the present time, and I will take the question of the hon. member by way of representation.

Mr. Rodriguez: Mr. Speaker, while the Prime Minister is doing that would he also consider that, in view of the fact there can be no safeguards when providing other countries with this nuclear potential, this kind of sale

should not be entered into even though it might provide a number of jobs for Canadians?

Mr. Trudeau: Of course, Mr. Speaker, I cannot agree with the premise of the question which is, if I understood it well, that there are no safeguards that can be provided. That is not the government's view. In the past we have applied safeguards, and the government is presently increasing the strength of those safeguards. To take the attitude of the hon. member would mean that Canada would sit on this very advanced technology and not be willing to share even its benefits with some of the countries of the world that do not have our advantages.

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FINANCE

DATE ON WHICH MINISTER WAS CONSIDERING BUDGETARY PROPOSALS CONCERNING DEDUCTIBILITY OF ROYALTIES

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask whether the Minister of Finance will say categorically that on March 27 of this year he was considering changes to the Income Tax Act which would disallow the deductibility of provincial royalties?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker. As the Prime Minister said in his speech yesterday, we made it clear to the provinces in advance of the conference that we were disturbed about unilateral action in the way of royalties and other techniques on the part of the provinces which would erode the federal tax base. At that time we were exploring a number of avenues, but we had not arrived at a decision as to the best method to follow.

Mr. Baldwin: Mr. Speaker, had the minister made known to the Prime Minister that he was contemplating income tax amendments of that nature so that the Prime Minister would have known of that on March 27?

● (1510)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the Prime Minister said quite categorically we were exploring a number of avenues in order to preserve the federal base, but I had made no final decision at that time. I advised the Prime Minister, and he communicated to the provinces, that we should put them on guard against unilateral use of the royalty technique to erode the federal base. That was communicated, as the Prime Minister said yesterday, both in writing and verbally to the two premiers concerned.

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[*Translation*]

INDUSTRY

GOVERNMENT ACTION FOLLOWING REPORT OF TEXTILE AND CLOTHING BOARD

Mr. Yvon Pinard (Drummond): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce.

[Mr. Rodriguez.]

On November 18, I asked him what he would do to assist the textile industry. Since the situation is still very critical owing to massive imports and numerous layoffs, I would like to know, following the presentation made this afternoon of the Textile and Clothing Board's report, what immediate action he intends to take to deal with that urgent situation?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I tabled the three reports to which the hon. member referred today. The government is accepting the recommendations of those reports. These provide for restraint measures in respect of those products covered by those reports except for nylon fabrics. In respect of nylon fabrics we have already, two days ago, entered into negotiations with the Republic of Korea aimed at reaching a restraint agreement. We have under international rules an expectation that we should be able to get it within 60 days.

If, however, during that 60-day period it appears that we are not making progress then we can under international rules obtain an emergency provision which would give us a restraint agreement in seven days. The other point I should like to make is that since those reports were written and submitted by the Textile and Clothing Board there has been a deterioration in the textile industry in Canada occasioned by international competitive practices, and in view of that I instructed the Textile Board to make a review of the situation and report to me at an early date.

* * *

NATIONAL DEFENCE

DATE OF DECISION ON FINANCING DEFENCE PROGRAM

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence. It is understood that the minister submitted his alternative courses of action for his department to cabinet on November 21. Can he inform the House when he expects a decision from that august body. I do not want the answer to a day but within a week or so.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the financing of the defence program has been under consideration by cabinet for several weeks and at a number of meetings. The estimates will be required to be known within the next two weeks.

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ROYAL CANADIAN MOUNTED POLICE

POLICY OF FORCE REGARDING HEROIN USED DURING INVESTIGATIONS

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Solicitor General regarding a statement made by Mr. Mullins of the Justice Department last Friday in Vancouver. Mr. Mullins was quoted as saying that the RCMP lost 20 pounds of heroin while under their surveillance. I wonder if the Solicitor

General can advise the House whether it is the policy of the RCMP to buy heroin to use in their own trading or whether the heroin used in this case was heroin which was taken out of the drug lock-up in the city of Vancouver?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I have not seen the statement referred to by the hon. member. I would have to check that out and reply to him later.

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INDIAN AFFAIRS

DATE OF PAYMENT OF PORTION OF EXPORT TAX ON OIL DUE TO INDIAN BANDS

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I should like to direct a question to the Minister of Indian Affairs and Northern Development. Has the minister decided when he will return the proportion of the export tax to the Indian bands which produce that oil and whether the government will pay interest because of the lateness of the return?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, that is a matter under discussion with the province of Alberta.

Mr. Speaker: The hon. member for Rocky Mountain.

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EXTERNAL AFFAIRS

EMPLOYMENT OF RENÉ MANTHA BY FIRM UNDER CIDA—REQUEST FOR REPORT

Mr. Joe Clark (Rocky Mountain): Thank you very much, Mr. Speaker, for recognizing me. On October 24, again on October 28 and on November 5, I asked the Prime Minister and the Secretary of State for External Affairs for a full report as to the relations between the Government of Canada and Mr. René Mantha, mentioned in the inquiry before the Cliche Commission, with particular reference to any application by Mr. Mantha for a full pardon or for subsequent employment by a company under contract to CIDA and to indicate the specific nature of any intervention on behalf of Mr. Mantha by Paul Desrochers or any official of the Quebec Federation of Labour or by any present or former member of the office staff of the Prime Minister. I wonder whether the Prime Minister can tell us why that report has not been made and when it will be made?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did not hear every bit of the question because it had not been addressed to me at the outset, but if it deals with the matter I heard at the end, it is a question of which I took notice on behalf of the minister and I think the member might well be advised to ask the minister.

Mr. Clark (Rocky Mountain): Mr. Speaker, the question was asked most recently of the Prime Minister and twice before of the Secretary of State for External Affairs. At no time was there an answer except an answer by the Secretary of State for External Affairs who was in the House and has left to the effect that he would give a full report to the House. I am interested in knowing why there has been this long delay in making available the information about any connection between the person mentioned by the Cliche Commission and the Government of Canada and when we can expect a straight answer and receipt of that report.

Mr. Trudeau: Mr. Speaker, my answer was that I did not know and that I would take notice of the question on behalf of the minister. The minister was out of the country on government business. He is out of the House on government business and the member might obtain permission to ask him when he comes back.

Mr. Speaker: Orders of the day.

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker. At this stage of the proceedings yesterday when we were dealing with House business for ensuing days and weeks I asked the President of the Privy Council if he could indicate when two bills would be presented, first a bill by the Minister of Transport having to do with requiring the railways to disclose their freight cost structures and second a bill by the Minister of Veterans Affairs having to do with Hong Kong Veterans. Yesterday the minister said he would get the answer as quickly as possible. I wonder whether he can give that information today.

Mr. Sharp: On the point of order, Mr. Speaker, I have good news and bad news. The good news is that the Minister of Transport is in the throes of drafting the particular bill and it will be presented soon. The bad news is that my colleague the Minister of Veterans Affairs is studying the proposal.

Mr. Knowles (Winnipeg North Centre): What do we do to get the Minister of Veterans Affairs "into the throes"?

Mr. Speaker: Order, please. The hon. member for Rocky Mountain on a point of order.

Mr. Clark (Rocky Mountain): Mr. Speaker, a moment ago the Prime Minister suggested that I might ask permission to direct a question to the Secretary of State for External Affairs when he returned to the House from government business. My question to the Prime Minister and twice before to the Secretary of State for External Affairs—

Mr. Speaker: Order, please. Whether it be suggested by the Prime Minister or not, the fact of the matter is that the question period has come to an end. I do not know whether the Secretary of State for External Affairs might have some pertinent information he might add, but if so he might want to do that. Otherwise we will go on with orders of the day.

Mr. MacEachen: Mr. Speaker, sometime ago the hon. member asked about Mr. Mantha. The fact is that for some days or some period after the information had been available the hon. member was not in the House.

● (1520)

I do not complain about that. As I recollect, his question was: what status did Mr. Mantha have with respect to a CIDA project. He is not directly employed by CIDA. He is employed by a contractor in a CIDA project. As I understand it, prior to his going to Zaire the clearance had been given to him as a qualified person. But since he has returned, he is not on the project.

Mr. Clark (Rocky Mountain): That was half an answer, Mr. Speaker.

Mr. Speaker: Order, please. Orders of the day.

GOVERNMENT ORDERS

[*English*]

FEDERAL BUSINESS DEVELOPMENT BANK ACT

MEASURE TO ESTABLISH CORPORATION

The House proceeded to the consideration of Bill C-14, to incorporate the Federal Business Development Bank, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Speaker: Order, please. The hon. member for Lanark-Renfrew-Carleton (Mr. Dick) has on the order paper an amendment at this stage of the bill pertaining to the definition clause. I am sure the hon. member is aware of the fact that the Chair has some very grave reservations about the procedural regularity of the amendment. However, in view of the fact that the amendment would appear to add a totally new clause to the definition section, which in turn would add a totally new principle or concept to the application of the bill as a whole and therefore would offend one or two basic rules pertinent to amendments at this stage, I would not want to make a final ruling without giving the hon. member an opportunity to defend his amendment from a procedural point of view.

It seems to me that an amendment which adds to the definition clause of a bill a definition which was not contemplated in the original drafting of the bill, thereby seeking not simply to clarify the definition section but to limit the application of the bill to the kind of activity that is defined by the proposed amendment, would go not only beyond the scope of the clause under consideration but would probably be outside the principle and scope of the bill itself. Under those circumstances, I have grave reservations about the amendment, but I will be pleased to hear from any hon. member who wishes to contribute to the procedural point before we continue.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I have not prepared myself to speak to the amendment which I tabled some three weeks ago before the bill went to committee, and it had been tabled for over two weeks in the House. The first suggestion that there is a procedural problem with respect to it was made thirty seconds ago by Your Honour. I had no notification from the Clerk. This leaves me in the difficult position of trying to bring forward precedents in defending the amendment.

However, I respectfully submit that a bill which defines a business enterprise and provides that money will be lent to business enterprises in Canada restricts, to a certain degree, what a business enterprise is. Therefore, the amendment is in no way outside the scope and intent of the bill. This is a very wide bill which sets up a new bank. Surely, in setting up a new bank we may in some way try to influence the direction the bank will take. The evidence in the committee was that 1 per cent or 2 per cent of the bank's funds might be affected by this amendment, so it can hardly be suggested that this amendment goes too far in restricting the bill or its scope.

This amendment would not affect taxes or government expenditures. It is merely deals with the definition of a business enterprise to which the bank may lend funds. Surely members of the House of Commons have the obligation and the right to express their views on a matter of this nature. I would point out that I find myself in a difficult position in having to defend the amendment after it has been in circulation both in the committee and the House for five weeks, everybody having accepted it and debated it as well as voting on it in the committee. Only a few minutes ago I learned, for the first time, that the amendment was challenged and now I have to be an instant expert on the matter. I regret that I cannot be an instant expert, and I hope we will be allowed to debate the substance of the amendment.

Mr. Speaker: Order, please. It may be suggested that we reserve consideration of this amendment and proceed to the consideration of two others that will be put before us, if the hon. member wants time to prepare himself to defend the procedural aspects of his proposed amendment.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in case I am not in the chamber at the time of the debate on this amendment, may I point out to the Chair that if Your Honour examines the recommendation—which of course is not binding by itself—it is written in very wide and vague terms and I suggest there is nothing in the recommendation which would inhibit the hon. member in bringing forward his amendment. I have not had time to review the bill, but I studied it when it was before the House for second reading. I would call the attention of the Chair to clause 4 of the bill which deals with the objects of the corporation. It reads:

> The objects of the corporation are to promote and assist in the establishment and development of business enterprises in Canada—

Under the interpretation section of any statute the words "business enterprises in Canada" would receive the widest possible latitude and interpretation. The hon. member has sought, by his amendment, to give some meaning to that term. It lies within the competence of the government to interpret the term "business enterprises in Canada". Perhaps the government, for reasons best known to itself, said: We will not interpret "business enterprises in Canada"; we will leave that interpretation to the minister, to the courts, or to some vague, indefinite group of people.

However, when you have a statute which presumably is of a remedial nature—we must assume that every statute

tends to remedy some defect or to provide some cure for a problem which has existed—a statute which, in the terms of this enactment, would incorporate the Federal Business Development Bank, and certain definitions are given but there is complete silence as to the intent of the government with regard to business enterprises in Canada, then we must admit that the legislation is wide open. Surely it is possible, under these conditions, for any hon. member to give a more precise interpretation to the term used in the bill.

I would agree 100 per cent with Your Honour if the bill had gone on to say that "business enterprises in Canada" means certain specific types of business enterprises and the recommendation of His Excellency contained such limited description. In that case, the hon. member would find great difficulty in convincing me and convincing the Chair that the amendment should provide the benefits under this legislation, that is, the expenditure of money, to organizations outside those limited by the definition clause of the bill. There being no such definition in the bill, we are left with the words "business enterprises in Canada", and I would assume it is competent for any member of this House to try to place a definition upon that phrase.

● (1530)

Mr. Speaker: I thank the hon. member for his contribution. I propose to hear other hon. members in order to resolve my difficulty. I wonder if hon. members, in contributing to this point, would direct themselves not only to the question, as they have, of whether the proposed amendment is contrary to the basic principle of the bill—in other words, establishing that the application of the bill would be restricted to strictly Canadian corporations, as opposed to having wide application in its original intent—but also to the basic problem of whether, even accepting that the amendment is permissible—and I have some doubt there—it is proper to endeavour to do what is sought by changing the definition clause.

What is happening here, it seems to me, is that by changing the definition clause an attempt is being made to make a very important, substantive change to the basic principle of the legislation. Surely that is not the basic nature of the definition clause. Such a change, if it is to be made by way of an amendment, ought to be put forward, it seems to me, in the form of a substantive amendment to the basic principle of the bill and a series of consequent amendments to all the applications of the bill. So my problem is not simply that the amendment seems to be contrary to the principle of the bill but, rather, that it also goes far beyond the scope of the clause in question, being a simple definition clause as opposed to a substantive clause.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, your suggestion that perhaps we should stand this item and go on to the next three amendments is acceptable. It takes me a little by surprise that there should be any question of the admissibility of this amendment. I would point out, however, that not only is the question of business enterprises referred to in the clause discussed by the hon. member for Peace River (Mr. Baldwin), but it also occurs in clause 20(1)(a). Listed among the powers of this corporation is the power, in effect, to lend money to a person who is engaged or about to be engaged in a business enterprise in Canada.

This question was discussed in committee and there seemed to be considerable doubt about what was meant by the term "business enterprises in Canada". There was the suggestion that it should be defined so as to make it clear that it was a small business enterprise. We hesitated to suggest that type of amendment because in today's inflationary world one might say a $200,000 company is a small business. However, there was no suggestion in committee that to define a small business enterprise as having to be Canadian, in the sense that it did not have foreign-ownership content, would be out of order.

I would point out that in the Industrial Development Bank Act, which is chapter 1(9) of the Statutes of Canada, the term used which is comparable to the one we are considering is "industrial enterprise in Canada". In that act "industrial enterprise" is defined. Frankly, I think the draftsman of the bill before us simply overlooked or omitted giving a definition. I think it would be much better draftmanship to define exactly what is meant by "business enterprises in Canada" in this bill, in the same way as the act defines "industrial enterprise in Canada".

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I have just a couple of points, Mr. Speaker. I should like, first, to deal with clause 4 which the Conservative House leader referred to in building a case to the effect that this amendment should be admitted. He referred to the words "and assist in the establishment and development of business enterprises in Canada" and spoke about the corporate objectives of the Federal Business Development Bank. Clause 4(1) reads:

> —of business enterprises in Canada by providing, in the manner and to the extent authorized by this act, financial assistance, management counselling—

The key phrase is "business enterprises in Canada". I would argue that indeed the amendment is restrictive because it clearly would change the importance attached to that phrase and substitute something quite different, that is, an enterprise controlled in a shareholder sense by Canadians. It would restrict from the operation of the Federal Business Development Bank business enterprises which are operating in Canada, which are employing Canadians, which are managed by Canadians, which are paying Canadian taxes and which are using Canadian materials. I would argue that the change proposed by the hon. member is a substantive one, and for that reason I support the submission that the amendment is out of order.

Mr. Speaker: Order, please. There have been suggestions that we should defer consideration of this amendment. The Chair would be prepared to accede to that suggestion or, alternatively, to deal with the matter at once. Is it possible that the House might be agreeable to proceeding to consideration of motions Nos. 2 and 3, allowing this matter to stand for a few minutes for further consideration. Is that agreed?

Some hon. Members: Agreed.

Mr. Baldwin: Mr. Speaker, may I make a suggestion? We do not need to take up the time of the House unnecessarily. If the first part of our argument has any appeal at all to the Chair, so that there may be a possibility that for the reasons advanced some means could be found of making an amendment of this kind, but that procedurally—and I can see the Chair's point there—it is quite impossible to place this amendment within the four corners of the definition clause, we could give some thought to an alternative form of amendment which might place the proposal of my hon. friend somewhere else in the bill and consequential amendments could be made.

In those circumstances, if the Chair is convinced beyond any shadow of doubt that any attempt by a private member to give some meaning to the words "business enterprises in Canada" is objectionable *ab initio*; that is it. On the other hand, however, if that is a surmountable objection I think the Chair might have a problem. If it is mainly a matter of taking this amendment, placing it elsewhere in the bill and adding a clause when the consequential amendment is made, then we can be devoting our ingenuity and time to doing that.

Mr. Speaker: I thank the hon. member for his latter contribution particularly. Frankly, the aspect of this matter that disturbs me is that the hon. member was caught by surprise in respect of the procedural acceptability of his amendment. That leaves the House in the position that not only the hon. member who proposed the amendment, but many other hon. members who looked at the amendment and thought it would perhaps give them the opportunity to express themselves on this very important point, might now be deprived of that opportunity, and because of the notice requirement would be deprived for all time from making this kind of amendment in that procedural form.

To a certain extent, rather than making bad law by accepting the amendment in a form in which it ought not to be accepted, I would rather go back to the last point of view expressed and, if possible, permit another amendment, a proper amendment, to be put. This would have to be done with the consent of the House, however, because the notice provisions would have to be abridged. I wonder if the House is now in a position to give its consent to waiving the notice provisions in respect of the introduction of this amendment in another form at, perhaps, eight o'clock this evening. Would that be agreeable?

Mr. Gillespie: Mr. Speaker, before we consider that point may I draw to your attention that this particular amendment is not new to the members of the Standing Committee on Finance, Trade and Economic Affairs. The hon. member advanced this amendment and the committee considered it and rejected it. There has been an opportunity already for members of the committee to argue the point. It was fully argued and, of course, is covered in the proceedings of the committee.

Mr. Speaker: That is exactly the point: I am anxious that members of this House have an opportunity to do what was done in the committee, if at all possible. Quite frankly, I am reluctant to do it by accepting an amendment to a definition clause when I feel very strongly that it ought not to be in there but should be somewhere else. If the hon. member could indicate that he would be prepared to have his amendment ready for eight o'clock, and if the House would give its consent to retabling it, I think that might take us out of a rather awkward procedural position. Is this agreed?

[Mr. Speaker.]

● (1540)

Some hon. Members: Agreed.

Mr. Speaker: We could proceed to the consideration of motions numbered 2 and 3. It seems to me that motions Nos. 2 and 3 are similar in purport and priority might be given to motion No. 2, standing in the name of the minister, as it was received first by the table. It might be open to the hon. member for York-Simcoe (Mr. Stevens) to propose part or all of his motion as an amendment to motion No. 2. On the other hand, motions 2 and 3 might be discussed together but a favourable vote on motion No. 2 must, of necessity, dispose of motion No. 3. It is suggested that motion No. 4 be considered on its own and in the usual way.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce) moved:

That Bill C-14, an act to incorporate the Federal Business Development Bank, be amended by striking out lines 28 to 42, inclusive, on page 15 and substituting the following:

"36.(1) In this section,

"applicant" means a person who applies to the corporation for assistance in the form of a loan, guarantee, underwriting agreement, purchase or lease;

"interested person" means

(*a*) a director of the corporation or a member of a council

(*b*) the spouse or a child, brother, sister or parent of a director or a member of a council, or

(*c*) the spouse of a child, brother, sister or parent of a director or a member of a council;

"member of a council" means a member of a council appointed under subsection 16(1).

(2) Every applicant shall disclose in writing to the corporation in an application for assistance whether that applicant is an interested person, or where the applicant is a firm or corporation, whether a partner of that firm or a director or officer of that corporation, as the case may be, is an interested person.

(3) Where an applicant discloses in an application for assistance that the applicant is an interested person or, where the applicant is a firm or corporation, that a partner of that firm or a director or officer of that corporation, as the case may be, is an interested person, the application shall be submitted to the board for approval before an agreement to provide such assistance is entered into by the corporation.

(4) A director shall not vote on a resolution relating to, or be present at a meeting of the board during the time at the meeting when the board is considering, an application submitted to it under subsection (3) if the application is from

(*a*) that director,

(*b*) a person related to that director in a degree of relationship described in paragraph (*b*) or (*c*) of the definition "interested person" in subsection (1),

(*c*) a firm or corporation of which that director is a partner, shareholder, director or officer, as the case may be; or

(*d*) a firm or corporation of which a person referred to

in paragraph (b) is a partner, director or officer, as the case may be.

(5) The amount of each agreement approved by the board under subsection (3) and the name of the person, firm or corporation with whom the agreement is entered into shall be included in the annual report that the corporation is required to submit under subsection 75(3) of the *Financial Administration Act*."

He said: Mr. Speaker, in committee there was considerable discussion about provisions dealing with potential conflict of interest situations. I undertook in the committee to bring before the House new language which would meet some legitimate concerns. The amendment before the House may be further improved. I believe the hon. member for Gatineau (Mr. Clermont) also wishes to present other amendments to the House.

The main purpose of this amendment is to incorporate in Bill C-14 the proposal made in committee on November 12, namely, that it shall be made a requirement of the act that every application for financial assistance that involves a director or a member of a regional advisory council of the corporation, or a person related to that director or member, be submitted to the board for approval and that information regarding the total amount of assistance given by the corporation under such circumstances be reported in the corporation's annual report. The amendment, I believe, also accomplishes the following: it corrects a weakness in the present wording of clause 36. As clause 36 now reads, a director is prohibited from voting on a resolution relation to a transaction with the bank that involves either that director or a firm or corporation of which that director, or one of the relatives referred to in paragraph (b) or (c) of clause 36, is a partner or shareholder. But that director is not prohibited from voting on a resolution relating to a transaction with the bank that involves any of those relatives acting in a personal capacity. This omission is remedied by the inclusion of subclause (4)(b) of the proposed amendment.

Second, it reinforces the requirement that a director must not vote on a resolution relating to a transaction involving a corporation of which that director is a shareholder, by adding the further requirement that he cannot vote if he is a director or officer of that corporation. The added words "director or officer" will be found in subclause (4)(c). Third, it adds a reference to assistance in the form of a lease, which did not appear in clause 36. This will be found in the definition of "applicant" in subclause (1) of the amendment.

It should be noted that in subclause (2) of the amendment, a corporation that applies to the bank for financial assistance is required to disclose whether a director or officer of that corporation is an interested person, but the corporation is not required to disclose whether a shareholder of the corporation is an interested person. I think further improvements can be made in this area, as previously indicated. Similarly, in subclause (4)(d) of the amendment the word "shareholder" has been omitted, since a director of the bank cannot be expected to know the names of all the companies in which any one of the persons related to him has shares. That was our original view but on second thought we saw that it was not a strong argument. For that reason the hon. member for Gatineau will be proposing an amendment.

I understood Your Honour to say that we should speak to both motion No. 2 and motion No. 3. If that is correct, may I make a general statement on motion No. 3, standing in the name of the hon. member for York-Simcoe (Mr. Stevens). In my view, the motion which has been proposed by the government, as well as the amendment to be offered by the hon. member for Gatineau, cover the problem areas which we dealt with in committee. For that reason I believe motion No. 3 to be redundant: I believe we have fully covered the concern expressed by its mover. Motion No. 2 fully deals with the situation of a director having an interest in a loan being required to disclose that interest.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, if I may deal with motions Nos. 2 and 3 together, in accordance with Your Honour's direction, let me say I was surprised to hear the Minister of Industry, Trade and Commerce (Mr. Gillespie) suggest that motion No. 2, the government's proposal encompasses motion No. 3. Actually, both motions are different in purport. Motion No. 2, as I understand it, provides that a director of the Federal Business Development Bank may borrow from the bank provided the loan is cleared at the board level and, second, the loan must be disclosed to those involved. On the other hand, motion No. 3 states categorically that the following shall not be granted a loan:

(a)(i) a director or a member of a regional advisory council

(ii) the spouse or a child, brother, sister or parent of a director or a member of a regional advisory council or

(iii) the spouse of a child, brother, sister or parent of a director or member of a regional advisory council, or

(b) a firm or corporation in which the beneficial interest of any person or persons described in paragraph (a) exceeds 50 per cent individually or collectively . . .

The fundamental question is, should the bank, which is really a newly constituted Industrial Development Bank, be allowed in any circumstances to lend moneys to a director? A serious question of principle is involved. Chapter I-9 of the Revised Statutes of Canada, under which the Industrial Development Bank is incorporated, provides for the board of directors of the bank to include the board of directors of the Bank of Canada and the Deputy Minister of Industry, Trade and Commerce. I mention that because the Industrial Development Bank is a wholly-owned subsidiary of the Bank of Canada and because the directors of the Bank of Canada, in turn, sit on the board of the Industrial Development Bank, as well as the Deputy Minister of Industry, Trade and Commerce.

The new bank which is to be established by Bill C-14 is to be differently constituted. First, the new bank will come under the aegis of the Department of Industry, Trade and Commerce; second, the Bank of Canada will no longer be directly connected with the new bank. Further, ten persons from outside the public service of Canada will be selected to sit as directors of the new bank. In addition, the president and four other persons from the public service of Canada will be included on the board. As well, regional councillors from various regions of Canada are to be appointed as the governor in council shall decide. These could be five to ten in number, depending upon the number of regions designated.

● (1550)

The bill provides that not more than 12 members can sit on this regional advisory council, so it might easily be that 50 or 60 members could be involved in a possible conflict of interest since they would be entitled to borrow from the new bank. I might mention that under the Bank of Canada Act it is specifically laid down that the directors must divest themselves of all interests which appear to be in conflict with their role as directors of that bank. For example, they are required to divest themselves of any connection they may have with an investment dealer who in turn deals with the Bank of Canada; they are expected to relinquish any interest they might have in a brokerage firm or any other bank.

I mention this because I believe it illustrates the manner in which earlier parliaments, in their wisdom, chose to make the board of the Bank of Canada a very isolated board to ensure against the possibility of any conflict of interest arising. I would point out, too, that the Industrial Development Bank is wholly owned by the Bank of Canada and that the directors of the IDB at the present time are also directors of the Bank of Canada. In any case, the existing legislation was framed to ensure that there would be no conflict of interest and, indeed, there has been no conflict of interest under the existing law with respect to the Industrial Development Bank and the Bank of Canada.

However, under the bill before us today, not only may we surmise that there is a possibility that loans may be made to directors but, as set out in clause 36, we find there is specific provision for such an eventuality. The clause provides:

> A director shall not vote on a resolution relating to, or be present at a meeting of the board during the time at the meeting when the board is considering, a loan to, a guarantee to, a guarantee of a loan to, an underwriting agreement with, or a purchase from, that director or a firm or corporation of which
>
> (a) that director
>
> (b) the spouse or child, brother, sister or parent of that director, or
>
> (c) the spouse of a child. brother, sister or parent of that director,
>
> is a partner, or shareholder, as the case may be.

The point I am making is that the bill before us is very different from the Industrial Development Bank Act presently on the statute books. There is no suggestion there that a director should have the right to borrow from that bank. In fact, the reverse is the case. In the bill before us, on the other hand, we even find a formula set out as to the manner in which a director should handle the question of conflict of interest if he wishes to borrow from the bank.

This is why we challenged the whole concept in committee. I would remind hon. members that we are dealing with a bank which is, after all, a subsidized bank owned by the people of Canada, a bank which is supposed to be devoted to helping small business in this country. There ought not to be the slightest suggestion that those who are honoured by appointments to the board of that bank, or who act as members of a regional council, should feel they are able to borrow from the bank. Surely this is a very strange and dangerous example to be setting for Crown corporations in this country.

[Mr. Stevens.]

Replying to our arguments in the committee, the minister suggested he would attempt to rectify the situation, not by prohibiting loans to directors or councillors but by seeing it was done in such a way that people would know what was happening. I agree that if he is to allow these loans to be made, it would be preferable not to proceed in a secretive way. But why should this practice be permitted at all? We, as members of parliament, are being asked to endorse the creation of a new bank, supposedly to help small business. Its assets will amount to $2.2 billion. At the same time, we are being asked to agree that those who sit on the board should have the privilege of borrowing any amount of funds from the bank. In preparing the bill which is now before us, the minister apparently felt that any suggestion of conflict of interest should be avoided with respect to the president of the bank. In clause 13 we read:

> Where a person who is appointed as president has
>
> (a) a direct or indirect ownership of any shares in a lending institution or in a company authorized to provide management counselling, or
>
> (b) a pecuniary or proprietary interest in a business firm that provides management counselling,
>
> He shall divest himself of that ownership or interest within three months—

And so on. Why should it be fitting to cover that type of conflict of interest while setting up, in another clause, a framework, an apparatus which may be used by another 50 people to borrow from the very bank we are entrusting them to run? I think it is shameful that the government should be suggesting such a thing. I urge hon. members to break party ranks and show that they will not tolerate any further suggestion of conflict of interest at such a level.

Surely the least we can do when incorporating a bank such as this, a state intrusion into the private banking sector, is to ask that the directors who accept the honour of being directors of the bank shall accept, also, the fact that they may not wheel and deal with the Federal Business Development Bank, as it will be known, while at the same time acting as directors. Surely this is not an unreasonable request, and I am startled that the minister and, presumably, the government should persist in trying to force this type of legislation through the House.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I am happy the minister has at last seen fit to come forward with motion No. 2 after what happened in committee. This is certainly a stricter provision than the one to which objection was taken. I wish to associate myself with the observations of the hon. member for York-Simcoe (Mr. Stevens) with regard to motion No. 3. I do not know why we should leave open the possibility of conflict of interest. The motion gives us a definition of "interested person" and goes on to say that an interested person may apply for a loan, or for financing, but that if he is a director or a member of the council he shall not participate in a vote or be present at a meeting which might result in a loan or financial assistance being given to himself or his spouse or certain other persons related to him.

● (1600)

I think the time has come in this country, especially in view of what has happened in the past few weeks in

regard to a number of instances involving clear conflict of interest, when we as parliamentarians should say very clearly and succinctly that certain people shall not participate in the benefits of a federal program if they themselves are determining who should get the benefits of the program. In this case, the directors of the Federal Business Development Bank, the people sitting on the council, and their spouses, in my opinion should not be able to get the benefits of the legislation that is before us.

I strongly urge members of the House to look very closely at motion No. 3, which sets out explicitly those people who will not participate in receiving benefits from the legislation. The motion names the people concerned—for example, a director of the council, the spouse or child, brother, sister, or parent of a director, and so on. I think we should not hesitate to take this step. I hope that when the hon. member for Gatineau (Mr. Clermont) moves his motion, he will bring us closer together than motion No. 2, presently suggests. In closing, may I say I am glad the legislation is before the House. I am happy to see the federal government, through an agency like a Crown corporation, competing in the banking field with private banks. This is long past due and we should expand this concept rather than be cautious about it.

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I join the hon. member for Yorkton-Melville (Mr. Nystrom) in commending the hon. member for York-Simcoe (Mr. Stevens) on his motion No. 3 which is clearly a step in the right direction. Because of the concern many Canadians have expressed over the last while—a concern many members of the House have expressed—about the question of conflict of interest, this House has the responsibility of ensuring that everything possible is done to prevent conflict of interest on the part of members of parliament or public servants.

I have been dismayed over the past few days, in the discussions we have had with respect to conflict of interest, to discover that the government's attitude is that any substantive action taken by the House to try to restrict or reduce conflict of interest is against the wishes of the government, whether this action be by legislation relating to members of parliament, regulations relating to civil servants or to people in Crown corporations such as the one under discussion.

The minister's proposal in motion No. 2 would simply institutionalize conflict of interest as opposed to forbidding it. I do not think it is too much to ask of people who have the honour to serve an agency such as this that they be as clean as possible—as clean as a hound's tooth. It is not good enough to suggest that, when these people are involved in questions of conflict of interest, the facts should be pointed out publicly; it is important that the conflict be prevented entirely.

As I say, it is an honour to be associated with such an agency so I do not think it is asking too much of people who would be so honoured to maintain minimal standards of behaviour with respect to conflict of interest. I point out to the minister that there are 22 million people in this country, so he should not have great difficulty in finding persons willing to serve who have not had any dealings with the bank. I think it is a rather shocking situation if the minister is suggesting that it is very difficult to get people free of possible conflict of interest to serve on the board and the only people who would want to serve would have a conflict of interest.

As I say, I do not think the hon. member for York-Simcoe is in any way asking too much. As he pointed out, some $2.2 billion worth of assets of the bank will be controlled and I think the public is justifiably concerned about how this will be done. The hon. member was also quite correct in pointing out that there is a double standard that the minister would institutionalize, that of requiring the president of the bank to divest himself of any holdings of the bank or business that might involve conflict of interest, but not requiring this of other people who serve with him. That is an anomaly I cannot understand.

The confidence of the public and the integrity of people who serve in public institutions are very frail and fragile tissues which are easily torn apart. My regret is that the government, in its actions both with respect to the legislation now before us and other proposals dealing with conflict of interest, has taken action that can only exacerbate the problem we have, that can only serve to destroy people's confidence in our public institutions and bring into question the integrity of people who serve either in the public service or in our parliament. I strongly urge the members of this House to support motion No. 3 moved by the hon. member for York-Simcoe.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I support motion No. 3 wholeheartedly, and in doing so I should like to say a few words. First of all, I am rather shocked—

Mr. Deputy Speaker: Order, please. I wonder whether the hon. member would allow me at this time—this should have been done earlier—to read motion No. 3 into the record. We are moving from one motion to another and only motion No. 2 has been put on the record. People reading *Hansard* will then be able to refer to motion No. 3 more directly. So, with the consent of the House, I will put motion No. 3.

The hon. member for York-Simcoe (Mr. Stevens) moves:

That Bill C-14, an act to incorporate the Federal Business Development Bank, be amended by deleting lines 28 to 42 at page 15, being clause 36, and substituting the following:

"36. (1) The corporation shall not make a loan to, a guarantee to, a guarantee of a loan to, an underwriting agreement with, or a purchase from

(*a*) (i) a director or a member of a regional advisory council

(ii) the spouse or a child, brother, sister or parent of a director or a member of a regional advisory council, or

(iii) the spouse of a child, brother sister or parent of a director or member of a regional advisory council, or

(*b*) a firm or corporation in which the beneficial interest of any person or persons described in paragraph (*a*) exceeds 50 per cent individually or collectively.

(2) A director shall not vote on a resolution relating to, or be present at a meeting of the board during the time at the meeting when the board is considering, a loan to, a guarantee to, a guarantee of a loan to, an underwriting agreement with, or a purchase from a firm or corporation in which the beneficial interest of that director or any person described in subparagraph 36(1)(*a*)(ii) or (iii), as the case may be, does not exceed 50 per cent individually or collectively.

(3) Any loan, guarantee, underwriting agreement or purchase under subsection (2) may only be made by the corporation if authorized and approved by the board.

(4) The corporation shall list in a schedule to its annual report made under the *Financial Administration Act* every loan to, guarantee to, guarantee of a loan to, underwriting agreement with, or purchase from a person, firm or corporation described in this section with the particulars in each such case."

Mr. Woolliams: Mr. Speaker, I regret that I missed a portion of the mover's speech, but I should like to say a few words about the bill. First of all, in dealing with the question of conflict of interest I have always been rather shocked that one cannot get full disclosure as to the amount of money, by way of salary, earned by people in high positions whether they be presidents or directors. It is particularly shocking in the case of Crown corporations. Setting up a bank of this nature involves the use of public funds. To start with, it is financed with public funds, and the profits arising from the operations of the bank may be reinvested to expand the business of the bank. Surely salaries of the directors, and so on, should be bared and made public.

[*Translation*]

Mr. Clermont: I rise on a point of order. Mr. Speaker.

The hon. member is dealing with motion No. 4 when he talks about directors' salaries.

[*English*]

Mr. Woolliams: Mr. Speaker, I know what the hon. member's point is and I will deal with it later. Hon. friend's opposite are laughing, but since these directors can borrow money from the bank it is important that we know their salaries. After all, the first thing you are asked when you go to any bank for a loan is what your assets are and what your salary is. My good friend rose on a point of order, but with his business experience and knowledge he must know that the first thing a bank asks is what your assets are, what your income is at the time, and what you expect to make in the future. So I do not think I am out of order when I say that those salaries should be known and laid on the table so the public will know what they are. There is nothing out of order, as far as I am concerned. With regard to the directors, let us look at clause 36, which provides:

● (1610)

A director shall not vote on a resolution relating to, or be present at a meeting of the board during the time at the meeting when the board is considering, a loan to, a guarantee to, a guarantee of a loan to, an underwriting agreement with, or a purchase from, that director or a firm or corporation of which

(a) that director,

(b) the spouse or a child, brother, sister or parent of that director, or

(c) the spouse of a child, brother, sister or parent of that director,

is a partner or shareholder, as the case may be.

Motion No. 2 refers to this clause and reads:

That Bill C-14, an act to incorporate the Federal Business Development Bank, be amended by striking out lines 28 to 42, inclusive, on page 15 and substituting the following:

"36.(1) In this section,

'applicant' means a person who applies to the Corporation for assistance in the form of a loan, guarantee, underwriting agreement, purchase or lease;

[Mr. Deputy Speaker.]

'interested person' means

(a) a director of the corporation or a member of a council" . . .

Surely, when we are dealing with conflict of interest, the directors of this bank should not be able to obtain loans. As far as I am able to ascertain, there is no ceiling on the amount, so these people could make loans of a million dollars to themselves. We have experienced this kind of scandal before. There was a scandal in respect of the Alberta Housing Corporation, not under the present government, but the facts are coming to light showing the corruption that took place. I do not believe anybody in the public service of Canada, a member of parliament or a member of the Senate should have the right to borrow money from this bank. There is bound to be a conflict of interest. These people are empowered, as directors, to administer these funds for the public. The money comes from the taxpayers. Surely there should be a rule or a formula which prevents the directors borrowing money from the bank set up to serve the public. Even the managers of chartered banks cannot borrow from their own branches unless they go through channels at the top.

Mr. Gillespie: There is exactly the same provision here; they must go to the top men.

Mr. Woolliams: Let us see who will be on the board.

Mr. Gillespie: Have you read the proposed act?

Mr. Woolliams: Yes, and I will read it for your benefit. I have been asked a question, Mr. Speaker, so let us see what clause 5 provides. It reads:

The board of directors shall consist of

(a) the president;

(b) four persons selected from the public service of Canada and appointed from time to time by the governor in council on the recommendation of the minister; and

(c) ten persons selected from outside the public service of Canada and appointed in the manner provided in subsection 6(1).

Who approves a loan when the applicant is a director or the president? I am prepared to sit down if the minister is willing to answer.

Mr. Gillespie: If the hon. member will look at motion No. 2 he will find there the answer to his question.

Mr. Woolliams: Let us see what clause 35 says. It reads, further:

The board may make bylaws

(a) respecting the calling of meetings of the board and of the executive committee, the quorum for such meetings and the conduct of business thereat;

(b) fixing the fees to be paid to directors and council members for attendance at meetings, as authorized by subsection 19(1);

(c) for the administration and management of the business of the corporation; and

(d) for the conduct in all other particulars of the affairs of the corporation.

In these days, when we are concerned about conflict of interest, I do not think these persons should be able to obtain loans. I therefore support the amendment of the hon. member for York-Simcoe (Mr. Stevens).

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, in rising to speak on the amendment proposed in motion No. 3 by the hon. member for York-Simcoe (Mr. Stevens), I emphasize the fact that in my view this amendment will remove a cloud that I feel presently hangs over the philosophy and purpose of Bill C-14. I have looked very carefully at the amendment proposed by the minister and I do not feel it covers the same ground that is covered by motion No. 3.

We must ask ourselves why we have this provision which would allow the directors to borrow money from the bank. Also, why was there some resistance by the minister—as I believe there was—in the committee to a motion which would restrict this practice? Perhaps the argument can be made that the Federal Business Development Bank will want to attract a staff of highly qualified people presently employed in private industry. I agree to some extent with that proposition but, by the same token, I do not feel that motion No. 3 will in any way inhibit the Federal Business Development Bank in recruiting directors or members of the regional advisory council. If the bill goes forward without this amendment, there will be a cloud over its philosophy and purpose.

As the bill now exists, even with the amendment proposed by the minister it would still be possible for a director or member of the regional advisory council virtually to steer a loan application through the administrative process up to the point of approval. The bill, in my view, hangs under a cloud in respect of the administering and granting of loan applications, particularly when a director or member of the regional advisory council may be the beneficiary of a loan. There is no doubt in my mind that undue influence could be brought to bear in respect of a loan application, a guarantee, a guarantee of a loan or an underwriting agreement. In addition, if carried further a director or member of the regional advisory council could develop a source of financing for the products of a company in which he has a financial interest. The mechanism is there through which this could be done. It would be a very simple matter to arrange, as part of the sale of a product, for Federal Business Development Bank financing if an officer of the company were a director or a member of the regional advisory council.

In addition to the fees paid for performing the functions of a director or member of the council, a director or member of the council has the potential to make in-pocket profits as a result of a sale financed by FBDB funds. We are dealing with human beings and we are trying to make this piece of legislation as pure as possible so there cannot be any suggestion of conflict of interest. Probably the quickest way to destroy the integrity of the FBDB would be to let this bill go through unamended, or to accept the amendment put forward by the minister. We are restructuring the IDB through Bill C-14, to make it more responsive to the needs of small businesses. We know this legislation is sorely needed because we are aware of the liquidity problems facing small businesses. We are particularly aware of the problems which will exist in the next two or three years.

We must always keep foremost in our minds the public perception of our parliamentary process, the governmental process and the conduct of government agencies and Crown corporations. In my opinion, the FBDB should be available to all and should be able to withstand any degree of public scrutiny. Never is this more important than when public funds are concerned. Conflict of interest has been mentioned several times by other hon. members and it is a subject of public discussion and debate. I do not think we should pass legislation where potential conflict of interest exists, as it does in respect of Bill C-14 even with the amendment proposed by the minister.

● (1620)

I do not think anything reduces public confidence in government more than there being disclosed, say, that applicant A was successful, because he had the inside track or was privy to inside information, over applicant B. There has been much public discussion of insider trading and interlocking directorships which lead to conflict of interest respecting shareholders or potential shareholders. Surely we should set an example in the legislation we frame, so that we may assure the general public and potential applicants for loans that the decisions rendered by the directors and members of the regional advisory boards will be above reproach, and that the directors and members of a regional advisory board are not profiting personally from a bank transaction, whether or not they abstain from voting on a particular application for a loan.

I am very concerned, as I am sure all members are, about the public perception of our governmental process. The cynicism deepens and lowers the public perception of our parliamentary and governmental process when conflict of interest is involved. I would like the minister to include in the bill and his amendment strict guidelines, in the clearest possible language, which will assure the public that no conflict of interest can exist and that any director or member of a regional advisory board cannot claim ignorance of the guidelines due to language ambiguity and interpretation, as is the case with many of the regulations that we have today. Because of the scarcity of information available in annual reports, and the practice of submitting them to a standing committee at the time of its first meeting, I feel it is mandatory to supply information with the annual report that will detail the loans, guarantees, guarantees of loans and other agreements, or anything of that nature. One problem we have is that we do not get enough information from annual reports in order to carry out a proper examination.

We do not seek to restrict the commercial talent available to the Federal Business Development Bank. For this reason we propose that a director or member of a regional advisory council not be allowed to be the recipient of a loan to a company in which he has more than a 50 per cent interest. For these reasons, Mr. Speaker, I support motion No. 3 to amend Bill C-14 standing in the name of the hon. member for York-Simcoe.

Mr. Clark (Rocky Mountain): I rise on a point of order, Mr. Speaker. It is difficult at the best of times to understand the minister. However, I think I understood him to say that the hon. member for Gatineau (Mr. Clermont) has some amendments, I presume to motion No. 2 in the minister's name. I presume that the amendments of the hon. member for Gatineau were worked out in collaboration with the minister. I do not think it makes much sense

to debate a motion in the minister's name which, to the minister's knowledge, will subsequently be amended. I do not like him playing this kind of a game. I think that if the hon. member for Gatineau, on the instructions or otherwise of the Minister of Industry, Trade and Commerce (Mr. Gillespie) has amendments to the clause now under consideration, he should bring them forward.

[*Translation*]

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): No, Mr. Speaker, I am not rising on a point of order. I rose a couple of times to put forward some amendments. But before I do so, I would like to make a few comments.

The remarks of the opposition members apparently place on the same level the responsibilities of the president and of his directors. The hon. member for York-Simcoe (Mr. Stevens) told the Committee on Finance, Trade and Economic Affairs that those directors would be handsomely and generously paid. Directors, Mr. Speaker, are not full time civil servants. The board of directors, which, I believe, as in all other companies, will assume the bulk of responsibilities, consists of the president, two directors from the public service and two other directors selected out of the ten directors, and I think the amendment of the hon. member for York-Simcoe has a much broader scope than the Minister's amendment and my own one. The hon. member for Calgary North (Mr. Woolliams) mentioned that, considering my business background, when one applies for a loan in a chartered bank ... Talking about chartered banks, Mr. Speaker, no provision in the Bank Act prevents a bank director from getting a loan on behalf of a company which he manages. I know the hon. member for York-Simcoe said there was a difference between chartered banks and the bank we are now dealing with. He said that the bank under consideration deals with public funds. In my opinion, deposits made by the public in a chartered bank belong to the public, but there is a request that directors as well as members of the board of directors be denied the right to obtain loans. The amendment of the hon. member for York-Simcoe digs even further. No loan, gurantee, underwriting agreement or purchase could be made. I also believe the minister accepted the suggestion of a certain member of the finance committee when we consider subclause 5 of motion No. 2 which says and I quote:

(5) The amount of each agreement approved by the Board under subsection (3) and the name of the person, firm or corporation with whom the agreement is entered into shall be included in the annual report that the Corporation is required to submit under subsection 75(3) of the *Financial Administration Act*.

Under the bill as it now stands, there is no such obligation for directors of the Bank to include those loans in the annual report.

Before presenting my amendments, I should like to give some explanations on the amendments I would like to move to those proposed by the minister in motion No. 2.

[*English*]

Mr. Speaker, when the text of the proposed amendment to section 36 as set out in the order paper was prepared, the word "shareholder" was not included in the second last line of subclause 36(2), nor in the fifth line of subclause 36(3), since it was considered that it would be virtually impossible for a corporation with a large number of shareholders to know whether or not any one of its shareholders happened to be related to a director of the bank or to one of the members of a regional advisory council in any one of the degrees of relationship described in the definition of "interested person". However, it would appear that most of the corporations which would be seeking assistance from the bank would be private corporations with a limited number of shareholders, so that in actual practice it would not be too difficult for such a corporation to ascertain, through consultation with its shareholders, whether such a relationship exists.

Similarly, with respect to subclause (4) of the proposed amendment as set out in the order paper, it was considered at the time the amendment was drafted that a director of the bank could not be expected to know the names of all the companies in which any of his relatives as described in subclause (1) have shares. However, under subclause (1) of the proposed amendment the onus is on the applicant to disclose in the application whether or not the applicant is related to a director. The application is then submitted to the board and the director is prohibited from voting on any resolution relating to that application. In the context of this specific procedure, the director, having been identified in the application, is in a much different position than he would have been under clause 36 of Bill C-14 as that clause now reads.

● (1630)

Subclause (4) of the amendment as it is now set out in the order paper prohibits a director from voting on a resolution relating to a loan to a corporation of which that director is a shareholder, but not a corporation of which that director's spouse or any other relative is a shareholder. Instead, the prohibition applies only where the director's spouse or other relative is a director or officer of the applicant corporation. The purpose of the proposed motion to amend the text as set out in the order paper is to extend the prohibition to apply to every loan to a corporation of which the director, his spouse or any other relative is a shareholder, director or officer.

[*Translation*]

Moved by Mr. Clermont:

That the amendment to Bill C-14 as set out in Motion No. 2 be amended

(*a*) by striking out the second last line of subclause 36(2) and substituting the following:

"or a shareholder, director or officer of that corporation, as"

(*b*) by striking out the fifth line of subclause 36(3) and substituting the following:

"of that firm or a director, shareholder or officer of that"

(*c*) by striking out the last line of subparagraph 36(4)(*b*) and substituting the following:

"person" in subsection (1), or"

(*d*) by striking out subparagraphs 36(4)(*c*) and (*d*) and substituting the following:

"(*c*) a firm or corporation of which that director, or a person referred to in paragraph (*b*), is a partner, shareholder, director or officer, as the case may be."

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Since the hon. member is proposing a rather technical amendment, I wonder if he would be willing, as I see he is, to pass around copies of his amendment so we can follow it as he is explaining it to us.

[*Translation*]

Mr. Clermont: With pleasure, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): You are very kind.

Mr. Clermont:

(d) for subclauses 36(4)(c) and (d), the following:

"(c) a firm or corporation of which that director or a person referred to in paragraph (b) is a partner, shareholder, director or officer."

Mr. Speaker, in the matter of—

[*English*]

There is a well established principle in other acts that financial institutions can make loans to directors of their corporations.

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I am glad that we received the amendments introduced by the hon. member for Gatineau (Mr. Clermont), because I think they rebut completely any suggestion which the Minister of Industry, Trade and Commerce (Mr. Gillespie) made in his opening remarks that the amendments introduced by the hon. member for Gatineau address themselves to the very serious problem raised by the hon. member for York-Simcoe (Mr. Stevens) and others on this side who have spoken in the debate. Clearly, the amendments introduced by the hon. member for Gatineau are simply technical amendments. They make no change at all in the substance of the amendment introduced by the minister, the purpose of which is simply to put up a smoke-screen so it would appear that the House was dealing with a problem with which, clearly, the government is not prepared to deal.

The minister, in his earlier remarks, suggested that there was no difference in purpose between his amendment and amendment No. 3 in the name of the hon. member for York-Simcoe. Clearly, there is a difference. The hon. member for York-Simcoe introduces in his amendment an absolute prohibition of conflict of interest and the minister, in a move that has not at all been changed by the amendment of the hon. member for Gatineau, is simply creating a very large loophole through which conflicts of interest are not only likely to occur but, indeed, are encouraged to occur.

The amendment introduced by the minister does not contain a prohibition of any kind. All he asks is that when there is an evident conflict of interest, the director concerned must simply absent himself from the voting. What the minister is establishing here is a game of musical chairs; he is legalizing musical chairs and, in effect, giving the authority of the House of Commons to the possibility of an evident and rampant conflict of interest. What is obvious to anyone in the House is that if a director absents himself when there is a potential conflict of interest, theoretically, under the amendment proposed by the minister, he can rely upon his friends to approve the loan in which he is interested, in repayment for which favour he could subsequently support the application of the parties involved. This would involve the conflict of interest of another director. It is a cosy kind of arrangement, but no matter how you cut it, it is a very clear instance of the possibility of conflict of interest arising. That is not something which we are prepared to accept on this side of the House.

● (1640)

I want to emphasize what has been said already today, Mr. Speaker. This government has been altogether too careless about the question of conflict of interest. I say "careless", and one of my colleagues says "at least careless". At least it can be said that they have been very careless about the possibility of ministers of the Crown taking advantage, through a series of guidelines, which are as much a smoke-screen as the amendment introduced by the minister, and vague regulations, of various means of transportation when making so-called official visits, and so on. I think this is the first occasion since the controversy arose in this House about conflict of interest that the Parliament of Canada has had a clear opportunity to say whether it approves or disapproves of creating a law to control conflict of interest.

While I think the amendment introduced by the minister is a smoke-screen and is virtually useless because the directors can get around it, I am pleased that in this particular at least the government is prepared to recognize that a conflict might attach not simply to the individual concerned, but also to his spouse or other relatives. I think that principle, which the minister has recognized in this particular smoke-screen, will be recognized in other actions that the government is prepared to take on the question of conflict of interest, as it obviously has not been prepared to act on the question of guidelines covering the behaviour of ministers of the Crown.

It would be of interest to members of the House to know why the minister insists on a provision which clearly allows for conflict of interest. Why does he want the capacity for a conflict of interest to arise? Does he fear that if we adopt the very sensible and progressive amendment proposed by the hon. member for York-Simcoe he will not be able to find people willing to be directors? That is nonsense. But what does he fear? Why does he want to bring in a piece of legislation, through the amendment which he proposes, that would have the effect of establishing in law, giving legal form and effect and the sanction of this parliament, to a capacity for conflict of interest?

As has been indicated by members on this side of the House, the offices in question involve positions of trust. They involve the vesting of trust by the government and, by extension, by this parliament in individuals who serve as directors. That kind of trust relationship requires certain sacrifices in the public interest. Surely, the least of those sacrifices should be that directors are, in fact and in appearance, clear of any suspicion of abusing their position for profit, gain or personal purposes. I repeat that point, Mr. Speaker: the amendment we have before us in the name of the minister does not accomplish that; it allows a large loophole, deliberately created by the minister, for the continuation of conflict of interest.

What kind of reflection does the amendment drafted by the minister cast upon people? What does it tell us about the kind of people he is seeking as directors of this bank? Surely, if we want the bank to be run effectively we want people who have standing enough that in the normal course of events they are not likely to avail themselves of the lending services of the bank. Surely, that has to be the logic, if there is any at all, of the minister's argument. If he is saying anything at all, he is saying he must have this

provision for conflict of interest in order to get people to serve as directors. That is simply not believable to members on this side of the House.

One of my colleagues mentioned earlier that what is at issue in this question of principle is not simply the constitution of a particular board of directors of a Crown agency; not simply a question of conflict of interest that arises rarely, but a very important principle that involves public trust and the outlining of the responsibilities of those who assume public office, whether elected or appointed as would be the case of directors of the Federal Business Development Bank. It is not an incidental matter. This amendment offers every member of the House of Commons the clear opportunity to express a view on the question of conflict of interest. Unfortunately, on the evidence of his amendment the Minister of Industry, Trade and Commerce, on behalf of the government, has indicated that he wants to deal with the question of conflict of interest with a phony gesture, one which will not meet the problem but will only seem to if one is half blind and well into senility.

There is no way that amendment No. 2 can accomplish the important purpose put forward by the hon. member for York-Simcoe. In amendment No. 3 the hon. member for York-Simcoe proposes to write into the legislation an absolute prohibition of conflict of interest. The Minister of Industry, Trade and Commerce simply proposes to write in a detour by which one could achieve a conflict of interest. That kind of skirting around is not acceptable to members on this side. The carelessness about conflict of interest is evident in the amendment put forward by the minister.

We are not just passing a law here today; we are setting standards which we expect to work, for the country to follow and, to some degree, to be bound by. If we establish the standard that it is all right to allow a conflict of interest as long as you put some phony smoke-screen around it, we are suggesting to everyone in the country who holds a position of trust that it is all right for them to abuse the trust placed in them. That is the question of principle involved in this important amendment put forward by the hon. member for York-Simcoe. For the minister to suggest that his amendment, which simply provides a detour on the way to conflict of interest, in any way achieves the same purpose is simply not correct.

Mr. Gillespie: Mr. Speaker, I listened very carefully to the hon, member's remarks. After we scrape away the intemperate language, perhaps we can look at what he actually said. He was speaking in favour of amendment No. 3, and if he looks at it he will see that there is no absolute prohibition in the situation where an interested person has less than a 50 per cent beneficial interest. That comes through quite clearly. He seems to be saying that the principle of absolute prohibition is important and that its absence is a phony, smoke-screen, a dodge or a detour.

The hon. member will have to face his own logic and admit that the provisions in amendment No. 3 which relate to less than 50 per cent beneficial interest are phony, smoke-screens, dodges or detours. I am sure the hon. member is intelligent enough that upon reflection he will realize that is not what he was arguing. I think he is intelligent enough to look at amendment No. 2 which I

[Mr. Clark (Rocky Mountain).]

proposed and which was amended by the hon. member for Gatineau (Mr. Clermont), and to realize that very substantial protections are built in with respect to conflict of interest.

● (1650)

There are three kinds of disclosure and protection anticipated in motion No. 3 which the hon. member supports. Our amendment insists that all applicants shall declare whether they are interested persons. An interested person is defined clearly in the amendment I proposed. In the language of the amendment—

> "interested person" means
>
> (a) a director of the corporation or a member of a council
>
> (b) the spouse or a child, brother, sister or parent of a director or a member of a council, or
>
> (c) the spouse of a child, brother, sister or parent of a director or a member of a council—

This provision must be considered in conjunction with paragraph (3) of the amendment which says that where an applicant is an interested person, the decision with respect to his particular application must be made at the board level itself, not at the regional level. This point is important. The IDB, which is the predecessor corporation, made about 97 per cent of all loans at the regional level rather than at the board level.

The amendment of the hon. member for Gatineau (Mr. Clermont) provides that where an applicant discloses in an application for assistance that he is an interested person, or where the applicant is a firm of corporation, a partner of a firm or a director, or a shareholder or officer of the corporation, as the case may be, he is an interested person and the application shall be submitted to the board for approval before an agreement to provide such assistance is entered into by the corporation. If an applicant is an interested person, the board of directors shall review his case. Further protection is provided in paragraph (4) of the amendment, as amended, which reads:

> A director shall not vote on a resolution relating to, or be present at a meeting of the board during the time at the meeting when the board is considering an application submitted to it under subsection (3) if the application is from
>
> (a) that director,
>
> (b) a person related to that director in a degree of relationship described in paragraph (b) or (c) of the definition "interested person" in subsection (1),
>
> (c) a firm or corporation of which that director, or a person referred to in paragraph (b), is a partner, shareholder, director or officer, as the case may be.

Clearly, a director shall not vote on any transaction in which he an interest, nor shall he be present when it is discussed.

An hon. Member: Don't be so naïve.

Mr. Gillespie: The hon. member for York-Simcoe (Mr. Stevens), in motion No. 3, has advanced exactly the same principle that is advanced in motion No. 2. I think he copied part of motion No. 2.

An hon. Member: Nonsense.

Mr. Gillespie: I think the hon. member supports what is in paragraph (5) of motion No. 2, which reads:

The amount of each agreement approved by the board under subsection (3) and the name of the person, firm or corporation with whom the agreement is entered into shall be included in the annual report that the corporation is required to submit under subsection 75(3) of the Financial Administration Act.

I submit that paragraph (4) of motion No. 3 seeks to do what paragraph (5) of motion No. 2, which I have just read, seeks to do. This is a good provision, as it ensures that agreements envisaged in the amendment will be made public. In the last analysis, publicity is the public's best protection in matters of conflict of interest.

The hon. member also deals with the situation in which the beneficial interest of those concerned exceeds 50 per cent. He recognizes that total prohibition is not acceptable and tries to provide a cut-off line, a 50 per cent beneficial interest. If a person has a greater than 50 per cent beneficial interest in a firm or corporation on whose behalf an application is made, that person shall not be eligible for a loan. Clearly, as precedent shows, loans may be granted to such interested persons, in certain circumstances, so long as disclosure is made. The amendment provides for this protection in order to avoid conflict of interest. I think the hon. member for Gatineau made this point clear.

My last point concerns the president. He, as chief executive officer of the corporation, is in a position different from that of regional advisers or councillors or directors. It is not anticipated that the ten directors who will come from the private sector will be full-time employees, nor is it envisaged that the number of regional advisers or councillors who have been referred to will be full-time members of the advisory council. On the contrary, it is expected that they will be part-time members and their responsibilities with respect to the advisory council will be added to their other responsibilities. That being so, we require conflict of interest provisions which will take cognizance of the fact that they are serving part time on the council and have other interests. Clause 13(1) provides:

Where a person who is appointed as president has (a) a direct or indirect ownership of any shares in a lending institution or in a company authorized to provide management counselling, or (b) a pecuniary or proprietary interest in a business or firm that provides management counselling, he shall divest himself of that ownership or interest within three months after the date of his appointment and shall not during his term of office acquire any such ownership or interest.

Clearly, the president's position is a special one and the bill deals with his position in a special way.

Mr. Clark (Rocky Mountain): Mr. Speaker, would the minister permit a question? Will he say what, in motion No. 2 as amended by the hon. member for Gatineau (Mr. Clermont), will prevent a director from having fellow directors look after his interests or the interests of anyone associated with him, in his absence, on the understanding that there is to be reciprocal treatment in cases where he remains on the board and one of the other directors is absent?

Mr. Gillespie: Mr. Speaker, I am not a legal authority and I do not think one has to be to realize that such practice would be illegal and very likely criminal. That kind of collusion would constitute a criminal offence.

An hon. Member: An exceedingly hard thing to prove.

Mr. Gillespie: Second, proposed section 36(5) requires disclosure in cases where interested persons enter into transactions. The subclause provides:

... the name of the person, firm or corporation with whom the agreement is entered into shall be included in the annual report ...

Mr. Clark (Rocky Mountain): But the bill will not prevent what I suggest may happen.

Mr. Deputy Speaker: Order, please. As it is five o'clock, we must proceed to private members' business unless members decide not to see the clock.

Some hon. Members: Five o'clock.

● (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Social security—Government intention with regard to economic position of those over sixty-five; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Housing—Request for funds for low rental housing; the hon. member for Edmonton-Strathcona (Mr. Roche)—Immigration—Possible increase in number of Chilean refugees admitted—Government position.

Order. It being five o'clock, the House will now proceed to the consideration of private members' business, namely, notices of motions (papers), private bills and public bills. There being no item under the heading notices of motions (papers), the House will now proceed to private bills.

PRIVATE BILLS

[*English*]

BRITISH COLUMBIA TELEPHONE COMPANY

The House proceeded to the consideration of Bill S-11, respecting British Columbia Telephone Company, as reported (without amendment) from the Standing Committee on Transport and Communications.

Mr. Reid: I rise on a point of order, Mr. Speaker. I draw Your Honour's attention to the second report of the Standing Committee on Transport and Communications, printed in *Votes and Proceedings* of November 21, 1974. In this report the committee recommended that the charges of $200,400 paid by the B.C. Telephone Company in accordance with Standing Order 91(4) be held in abeyance until the House had disposed of Bill C-29.

My point of order is that it is beyond the capability of a standing committee to make a report of this nature to the House of Commons since its order of reference was only to consider Bill S-11. It has always been my understanding that an order of reference to a committee was complete in itself, and that when dealing with a bill a committee had the option of reporting the bill with amendment or without amendment; it did not have the authority to make gratuitous comments on the bill or on any of its aspects. I should like to quote from Standing Order 65(8) which states:

Standing Committees shall be similarly empowered to examine and inquire into all such matters as may be referred to them by the House and to report from time to time and, except when the House otherwise orders, to send for persons, papers and records . . .

I would also cite Beauchesne's Fourth Edition, citation 304(1), where it is stated:

(1) A committee can only consider those matters which have been committed to it by the House.

(2) A committee is bound by, and is not at liberty to depart from, the order of reference.

There are a number of other authorities which could be quoted, but I believe my point is clear. The second report, though it has not been moved at this point, is completely out of order and I think some decision should be made by the Chair upon the matter.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, with respect to the point of order raised by the hon. member for Kenora-Rainy River (Mr. Reid), I wonder whether he did not put himself out of court in his last sentence. As he said, the second report of the Standing Committee on Transport and Communications is not before us. All that is before us now is the report stage of Bill S-11 which was reported back to the House as the third report. If anyone were to try to move concurrence in the second report, I could understand the point of order being raised, but since the issue is not before us I do not see why Your Honour should be asked to rule on a hypothetical situation.

Mr. Campbell (LaSalle-Émard-Côte Saint-Paul): Mr. Speaker, I believe the hon. member for Winnipeg North Centre (Mr. Knowles) is entirely correct. I think the motion will be moved on Monday next. In my view, it would be better if a decision were to be deferred until then, rather than to attempt to make a decision on the point of order at this time.

[*Translation*]

Mr. Pierre De Bané (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I do not know whether the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) wants to prevent study of the bill at the report stage. I did not quite understand his point. I do believe the Committee on Transport and Communications could be authorized to study the matter with the unanimous consent of the House. If there is unanimous consent, the Chair could authorize a change that is not contrary to the rules of this House.

[*English*]

Mr. Deputy Speaker: The procedural point raised by the hon. member for Winnipeg North Centre (Mr. Knowles) is certainly a valid one. We are not now discussing the second report of the Standing Committee on Transport and Communications. However, it was the intention of the Chair to clarify the situation; to indicate to hon. members the position taken by the Chair as to the handling of the sum of money mentioned in the second report of the committee. The parliamentary secretary was recognized on a point of order on this subject, but it may be the Chair should itself have undertaken to raise the matter, after which hon. members could have made their observations, if any. In any case, I would at this point ask for the co-operation of hon. members and seek their consent to suspend the report stage of Bill S-11, as it were, so as to allow the Chair to make a few comments concerning the second report of the standing committee. Is this agreed?

Mr. Knowles (Winnipeg North Centre): I will agree, but I do so under protest. This matter is not before us. If Your Honour wishes to make a ruling, we shall not stop you, but I think this is an irregular procedure. I myself have some questions I should like to raise. I wonder if I could drag them in at this time.

Mr. Deputy Speaker: Order. The hon. member is aware that Bill S-11 has been reported to the House without amendment. The report of the committee was preceded by another report, the second report, which put some kind of restriction—

An hon. Member: Not on the bill.

Mr. Deputy Speaker: Not on the bill, maybe, but with regard to the handling of money. The Chair feels that before considering the report stage of the bill an opportunity should be taken to clarify the matter. As I say, the point raised by the hon. member for Winnipeg North Centre is a valid one.

● (1710)

The Chair is presiding over the proceedings of the House of Commons daily, and when the Chair feels that some procedures, decisions of committees or actions of hon. members, do not correspond to the basic rules, it must stand up and express opinions that should be on the record, thus preventing hon. members from believing that the decisions or actions of other members have not been acted upon. That is the main reason I wanted to enter these remarks in the record at this time concerning the second report of the committee and before the House proceeds to consideration of the report stage of Bill S-11.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I would probably agree with the ruling that I suspect Your Honour is anxious to make. In fact, I have seen other reports come in which to me were questionable. But the second report of the Standing Committee on Transport and Communications has not been moved and is not before the House. Your Honour agrees that the report stage and third reading of Bill S-11 is what is before the House. We are in private members' hour and that has been called. The report which referred back Bill S-11 is the

third report, and there is nothing in the third report which says that it is conditional upon what is in the second report.

I do not want to go on for a long time in an attempt to prevent the Chair from doing something it wants to do, but somehow we are getting into an order that is not before us, and that is irregular. No member of the House at this moment is trying to do anything that is out of order, but if a member were to try to move concurrence in the second report, then I certainly think that the Chair would have to rule on that.

Mr. Campbell (LaSalle-Émard-Côte Saint-Paul): On the point of order, Mr. Speaker, I ask Your Honour to reserve judgment. We will have some material showing that it is not a precedent in requesting that the $200,000 payment be left in abeyance. We will have some material prepared for Monday, and if you will allow us to present it before you make a final judgment on the motion, we would appreciate it.

Mr. Reynolds: Mr. Speaker, I rise to say how much I agree with what my colleague to my left has said. I do not understand why the chairman of the committee is talking about the $200,000, which has nothing to do with what is before the House today. We have before us a private member's bill set down at report stage and for third reading, and the House agreed to get the bill through. There is a real need for passage of this legislation in my province so that this company can obtain further capital.

As I say, I cannot understand why this topic is now raised; it deals with a report from the committee that is not before the House, a totally separate matter. Certainly the bill is not contingent upon the $200,000 fee that we have been talking about. I hope the Chair will allow the House to continue with the report stage and third reading of the bill so that we can pass it today.

Mr. Deputy Speaker: I see the point made by the hon. member for Winnipeg North Centre. I am advised that before we can even dispose of Bill S-11, the fees have to be paid. We have a report of a committee, giving direction that a certain sum of money be held in abeyance. This is why the Chair feels this would be the time to make a decision as to the acceptability or legality of this report of the committee, and that is what I was about to do.

If the hon. member insists that I do not do this, then I am ready to proceed with consideration of the report stage of Bill S-11. Of course, the hon. member will argue with me that the second report of the Standing Committee on Transport and Communications, not being before the House at this time, cannot be recognized as a decision of the House as such and that it does not prevent these fees being paid. If that is the interpretation, then I am ready to look into the matter and perhaps bring it back tomorrow before orders of the day. Is that agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Now that I have decided to hold this whole matter in abeyance and perhaps bring it back tomorrow after examining it more deeply, I think the House should proceed immediately with consideration of the report stage of Bill S-11.

[*Translation*]

Order. Before proceeding with the study of the motion of amendment moved by the hon. member for Matane (Mr. De Bané) and even agreeing to broaching it, I feel I should draw the attention of hon. members precisely to that amendment which, according to the Chair, falls completely outside the scope of the bill before the House. The motion of the hon. member is, to my mind, out of order, first of all because it adds a new clause to Bill S-11. In fact, through his amendment to Bill S-11, the hon. member is attempting to reach the main act governing the company which has already been incorporated, and his amendment is contrary to Standing Order 105 in that it seeks to alter Bill S-11 which itself seeks to amend the act. I doubt very much that such an amendment is in order. I should like to invite hon. members to comment on this point.

[*English*]

In my opinion, by this amendment the hon. member for Matane (Mr. De Bané) is trying to reach the main act of this corporation by changing the name of the corporation, a matter not contained in the bill at this time. However, I am ready to invite comments from the hon. member before making a decision.

[*Translation*]

Mr. De Bané: Mr. Speaker, you pointed out an irregularity in my amendment by saying that the first introductory lines, instead of reading as follows:

That Bill S-11, An Act respecting British Columbia Telephone Company, be amended by adding immediately after line 9 at page 8, the following new Clause:

You are quite right to remind me that instead of section 25 of chapter 66, I should have written: "to add a clause to Bill S-11".

[*English*]

The way I am presenting my motion is this. I am amending the law of 1916 by adding a clause to Bill S-11, so the preliminary notes have, of course, to be changed. With regard to the history of the amendment I am presenting, I made a suggestion at the committee hearings to the company, namely, that in the French version of the act—

[*Translation*]

—the French version uses the name "La Compagnie de Téléphone de la Colombie-Britannique".

[*English*]

Members of all parties who were there were sympathetic to the idea, the representative of the company was sympathetic to the idea, and earlier this week I received a letter from the company in which it says:

● (1720)

... I am enclosing clause for proposal as an amendment ... which you have kindly stated that you would be prepared to introduce at the report stage in the House of Commons.

This was done with the mutual consent of every member of the committee. At that time we said we would consult as to how this should be done, and the company got in touch with the clerk of the committee and indicated it would be prepared to propose another clause which would be to the effect that the company may use, as the French form of its name, in the transaction of business and its

affairs generally "La Compagnie de Téléphone de la Colombie-Britannique".

[*Translation*]

I see that the hon. member for Saint-Boniface (Mr. Guay) is interested in this matter. I think, Mr. Speaker, that this idea was submitted and approved by all the members of the committee.

[*English*]

The company is very agreeable to the idea, and I hope the Chair will allow me to propose the amendment, as at the committee stage, if there is unanimous agreement. The company itself suggested the amendment which I present on its behalf. If we do not proceed in this way, the company will have to present another bill later to accomplish the same purpose.

I understand the spirit of the rule of procedure is such that in order to do something of this nature I require the unanimous consent of hon. members. I hope that my colleagues, in the spirit that existed in the committee when everybody agreed to the idea presented by the company, will allow me to propose this amendment which would allow the company to use that French form of its name. If everyone is agreeable, I hope a procedural argument will not prevent this bill from being accepted. Otherwise there will have to be another bill, with the whole burden that implies.

This whole matter is important, although not in itself, to what we are trying to do. As the member for Matane, I represent 20 or 30 English-speaking families and I insist that all federal buildings have bilingual signs. I do this as a matter of fairness. I have explained why this company's name must be bilingual.

[*Translation*]

Mr. Deputy Speaker: Order. I must nevertheless interrupt the hon. member, for we are now discussing the point of procedure in question and not necessarily his amendment. If he continues he will have completed his intervention before the Chair even decides whether to accept the amendment.

I must say to the hon. member that all the points he made are more debatable than procedural matters. I am convinced no other hon. member will disagree with all the hon. member for Matane (Mr. De Bané) said but he must nevertheless understand that the Chair is bound by the rules, and the Constitution of Canada or the rules of this House cannot be changed through the Chair. I think it is important that I draw the attention of hon. members to very specific rules, the most difficult of which might be rule No. 105—and by ricochet it applies both to the hon. member and the report of the committee of the House—which states, and I quote:

105. It is the duty of the committee to which any private bill may be referred by the House, to call the attention of the House specially to any provisions inserted in such bill that does not appear to have been contemplated in the notice or petition for the same, as reported upon by the Examiner of Petitions . . .

The hon. member said to the House he has in his hand a letter from the company stating that it would be happy to have its name made bilingual. Of course, the normal channel to have that change made would be for the company to have a new private bill introduced to amend its name.

Having said that, although hon. members do not doubt the word of their colleague, neither the Chair nor any member of this House have a copy of that letter, and the rules of this House do not provide for the tabling of such documents. I think everyone will agree to take the word of the hon. member. I must also refer him to different citations from Beauchesne's Parliamentary Rules and Forms respecting amendments, particularly citation 202 on page 169 and citation 203 on page 171 which state explicitly, and I quote:

203. (1) It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed.

The hon. member knows that the bill before us is a bill on the financing of the company, which has never been presented to the House to amend the name of the company or some other aspects of its administration.

If the hon. member keeps on reading citation 203, he will come to paragraph (3), and I quote:

(3) An amendment setting forth a proposition dealing with a matter which is foreign to the proposition involved in the main motion is not relevant and cannot be moved.

This being said, and considering that hon. members seem to be in a good mood and considering also the limited effect of the amendment the hon. member for Matane (Mr. De Bané) is proposing at the report stage, which nonetheless raises an important point as the hon. member said, the Chair would be willing to consider the motion and let the House decide. But that could be done only by unanimous consent.

[*English*]

I do not know whether all members followed my remarks, but the Chair feels that this kind of amendment should not be accepted in our general procedure. Noting that the intent of the bill is not to amend in any way the name of the company, or anything other than the financial structure, and noting the co-operation that seems to exist following the remarks of the hon. member for Matane (Mr. De Bané), if there is unanimous consent the Chair would be ready to accept the amendment for debate. Is that agreed?

Some hon. Members: Agreed.

Mr. De Bané: I have one note of particular interest.

● (1730)

[*Translation*]

Mr. De Bané moved That Bill S-11, An Act respecting British Columbia Telephone Company, be amended by adding immediately after line 9 at page 8, the following clause:

"6. The following is added as section 25 of chapter 66 of the Statute of 1916, as amended, namely:

'25. The Company may use as the French form of its name, in the transaction of business and its affairs generally, «*La Compagnie de Téléphone de la Colombie-Britannique*".'

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

Some hon. Members: Agreed.

Motion agreed to.

Mr. Deputy Speaker: Order, please. Perhaps the hon. member might make his comments later.

[*English*]

Mr. John M. Reid (for Mr. Anderson) moved that the bill be concurred in.

Motion agreed to.

Mr. Deputy Speaker: When shall the bill be read a third time?

Some hon. Members: By leave now.

Mr. Reid (for Mr. Anderson) moved that the bill be read the third time and do pass.

[*Translation*]

Mr. Deputy Speaker: The hon. member for Matane could make his remarks right now.

[*English*]

Mr. De Bané: I simply wanted to say to the hon. member for Peace River that the British Columbia Telephone Company—

British Columbia Telephone Company is owned by the same people who own the telephone company of Gaspé. I understand that the president of Quebec Telephone, which is the company in our region, has just been appointed president of British Columbia Telephone Company, thus representing two different parts of the country. I am very happy about this. I should like to place on the record my compliments to British Columbia Telephone Company for having accepted, without any hesitation, the French name. I think that more and more we should ask private business to do what the federal government is doing.

In my opinion it is quite unreasonable that only the federal government takes on the burden of projecting bilingualism. I think the provincial departments of education and private business should support this as well, because otherwise it does not make any sense. Perhaps on another occasion the Chair might permit me to expand on that subject. However, I commend the British Columbia Telephone Company. I think it has taken an enlightened position in respect of the Canadian fabric.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I just want to say how much I appreciate what the hon. member has said. I am glad to see the zeal with which hon. members on the other side take into account the constitution and the rights of people in this country under the constitution. I hope the way in which members on this side have co-operated with the hon. member in getting this through will persuade him, and some of his colleagues, in turn to take exception to what the government is doing in respect of oil resources, by stealing from the provinces resources which belong to them. I hope the people in Gaspé, in an appreciation of the rights of people in other provinces, will take strong exception to the deceitful actions of the federal government in taking from the provinces things which belong to the provinces.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I shall be very brief. I entered the chamber a little late so I must apologize for having missed part of the debate. I might say that I do not rise to delay the passage of this bill. I appreciate the objective of allowing this private monopoly to expand and continue to serve the people of British Columbia over the next ten years, which I see is the objective of the bill. However, I think there are a few things which should be placed on the record in respect of that particular oligopoly. My colleague from Burnaby-Richmond-Delta suggests that we are making it a little richer for the people of British Columbia to take over. I think the people of British Columbia are probably concerned to see telephone service expand even in this innovative and expensive way.

I believe the people of British Columbia would prefer to see a public corporation, and I hope in the future it will become a public corporation, as is the case in respect of most other telephone companies. The people are very satisfied with the kind of service they receive from these other corporate telephone services, but the people of British Columbia are not very satisfied with the kind of service they receive from the British Columbia Telephone Company.

I am concerned about this oligopoly being allowed to expand, to go into the market and obtain sufficient funds especially when there is a source of funds which I submit this company has failed to tap. I refer to the funds available to this company from the subsidiary companies of the British Columbia Telephone Company, companies such as Lenkurt Electrical and Western Electric which supply services to British Columbia Telephone Company. My colleague from Burnaby-Richmond-Delta says they are good, free enterprise companies.

There is nothing further from free enterprise in this case in respect of the relations Western Electric or Lenkurt Electric have with the parent company for the services they provide and the material they supply to the parent company. If British Columbia Telephone Company would look at the profits of its subsidiaries and plow back some of those profits into the parent company then this company could get along with less money than it needs to go to the market for now.

In British Columbia the structure of a company is determined by the type of service it renders and not by the magnificent performance of its subsidiaries which are not regulated by government agencies. I want to place on the record the fact that the time will come when the people of British Columbia will not stand for this kind of rip-off. Madam Speaker, I have said enough. I do not wish to say any more. Thank you.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): I do not want to prolong this discussion any further but I would simply like to congratulate all hon. members. While listening to those who spoke before me I was thinking that from 5 to 6 o'clock would be the proper time to present all the bills which must be passed quickly. I think it is the best hour to work in this House to put an end to our differences and to stop getting into empty discussions.

The member for Peace River (Mr. Baldwin) managed to get across his message on Alberta oil. I call him the "oiler" from Alberta, but he acted well in calling it to our attention and it is also his right to praise his province. As always, the member from the NDP would like to see everything nationalized. We respect his ideas but I must

admit we prefer private companies. Of course, it is initiative, private initiative, Madam Speaker, which gave birth to our country while state institutions have always tended to weaken the country instead of strengthening it.

I would particularly like to congratulate the member for Matane (Mr. De Bané) for his masterly stroke in having managed to have his amendment to Bill S-11 passed even though there was nothing in the order paper on this. I guess this is due to the good will of this House and the cooperation of all members. I congratulate him and I wish, as he himself mentioned it, that all Canadian companies, whatever province they may be in, follow the leadership of those who are bilingual today. I hope that will be proof enough that all our Crown corporations as well as private companies also want to adopt bilingual names so that we can identify them. When we hear of these companies we simply say: there is a Canadian company. I therefore congratulate all hon. members and I would like to say once again that I wish that more bills could come before the House during the private members' hour so that they may be passed more quickly.

● (1740)

[*English*]

Mr. John Reynolds (Burnaby-Richmond-Delta): Madam Speaker, I will not speak for more than a couple of minutes. I wanted to make some comments on the words spoken by the hon. member for Matane (Mr. De Bané) who went to great lengths to thank the B.C. Telephone Company for being so co-operative in letting its name be put forward in the French version, in an amendment which is only proper and right. However, in all fairness he should have mentioned that British Columbia members from my party, who were in full attendance at that committee, certainly had no objection to that change.

Quite often when we are outside the House we become political and it is easy for someone to make a speech about the Conservatives not supporting bilingualism. So, Madam Speaker, I wanted to make sure that my comments with regard to our party were on the record because members from my province have a good record in this respect. In my province by comparison we spend more per capita on bilingualism, and I wanted to make sure that that was on the record.

Some hon. Members: Hear, hear!

Mr. Reynolds: I also wanted to make sure that I said something about big bad capitalist B.C. Telephone Company, since my good friend in the riding next to me had something to say about people not standing for this rip-off much longer. I suggest that he speak to our premier. That might be the big issue in the next election. He will see how popular that issue is in my province.

People in my province are tired of seeing take-overs; they like to see free enterprise operate, and they like to see the type of bill that is now before us being passed in the House. I received a few letters saying that it was a good idea. I would love to see us fight the next provincial election on take-overs in my province. I do not think people in my province want take-overs. I myself have been one of the great complainers in this respect because I cannot get enough telephone lines in my riding. The only problem is that we are the fastest growing province in the country and we have a hard time getting material, supplies, and so on when they are required.

An hon. Member: Who is your company competing with?

Mr. Reynolds: I would be happy to compare them with any of the publicly owned telephone companies in Canada, but they do not have to compete with anybody. Telephone companies in every province do not have to compete, but they have to buy materials from other sources. They are short of supplies such as plastic and rubber wiring, and there is a shortage of telephones. So that is not B.C. Telephone's fault but the fault of world wide shortages. They are doing a good job with what they have, and in passing the bill today we will make sure that they receive more capital which will benefit the people of British Columbia.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

Motion agreed to and bill read the third time and passed.

Mr. Reid: Madam Speaker, I rise on a point of order. There have been discussions through the usual channels and I think there is willingness on the part of the House to deal with the report stage of Bill C-214. This bill was only reported yesterday and has not yet been on the record for the full length of time required, but if there is unanimous consent we would like to proceed with it and perhaps to complete the report stage and third reading today.

The Acting Speaker (Mrs. Morin): Is this agreed?

Some hon. Members: Agreed.

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

AMENDMENT RESPECTING REASONS FOR COMMISSIONS' REPORTS

Mr. R. E. McKinley (for Mr. Lambert (Edmonton West)) moved that Bill C-214, to amend the Electoral Boundaries Readjustment Act, as reported (with amendment) from the Standing Committee on Privileges and Elections, be concurred in.

Motion agreed to.

Mr. McKinley (for Mr. Lambert (Edmonton West)) moved that the bill be read the third time and do pass.

He said: Madam Speaker, it is a pleasure, on behalf of the hon. member for Edmonton West (Mr. Lambert), to move third reading of this bill. It contains a sensible suggestion, namely that electoral boundaries commissions set up in provinces give reasons for their decisions regarding the boundaries of ridings and in what way they reached them. I am sure that, from time to time during redistribution, members as well as many constituents, candidates and county and township councils wonder how the commissioners come to the decisions they do. This bill simply states that the commissions which set up these

boundaries and constituencies would be required to provide reasons as to why the boundaries are outlined in the way they are.

It should be noted that if reasons are given regarding how the boundaries of constituencies are established, there would be less controversy and objections to those boundaries.

I am pleased to note also that an amendment was passed in committee requiring that the report of a commission be published under subsection 17(3) in the Canada *Gazette* and the recommendation therein set forth.

I would like to express my appreciation to all members of the House for the negotiations we had with the official representatives of the different parties in the House, for waiving the necessary notice required to bring this bill forward today so that it can receive third reading and be passed.

● (1750)

The Acting Speaker (Mrs. Morin): The hon. member for—

An hon. Member: Coast Chilcotin.

Mr. Jack Pearsall (Coast Chilcotin): Thank you, Madam Speaker. It is west of the Rockies. I have found the same doubts as to who I am in the riding when men who have walked a very long distance, and look at me and ask, "Where have I seen you before"?

I should like to say that I endorse the comments made by my colleagues across the floor. We on this side of the House heartily endorse the amendment to this bill. In committee I stated that, as a former returning officer, I should like to recommend that all members pay attention to the bill and remember the text of it. If everyone knows what is in the bill there will be no room for mistakes in the next election.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I rise to extend my congratulations to a dozen or more new members whom I see in the House this afternoon and to remark that some of us had to wait years to see any private members' public bills get through. They are seeing such a bill get through today, and they have not yet sat here for two months.

Mr. John M. Reid (Parliamentary Secretary to President of Privy Council): Madam Speaker, I should like to indicate to hon. members, particularly the hon. member for Winnipeg North Centre (Mr. Knowles), that as a result of a cabinet decision taken about three years ago there was a change in government policy with respect to private members' public bills. The record shows that since that cabinet decision was taken more private members' public bills and private members' motions have been passed than were passed in the previous ten years in this House. What we are trying to do now, Madam Speaker, is to examine each private members' public bill from the viewpoint of each department and try to give the benefit of doubt to members. We are trying to avoid bills being talked out as far as possible. The same applies to motions.

The draftsmanship of the private members' public bills presents a problem, however. In committee we are finding that if a bill comes back and is passed into law the draftsmanship might prevent it from being good law. We may have to work out a different system so that more time is made available, for discussion with the members. Hopefully the bills would be drafted more carefully, but perhaps many of the ideas that now show up in the form of a bill could be better discussed in the House of Commons in the form of a motion which would allow greater latitude. We may have to shift priorities.

As we start to look at these bills from the point of view of law, we find that they do not achieve their purpose, and are defective in other respects as well. There are dilemmas, and we may ask hon. members not to proceed with them as bills but, instead, send their subject matters to committees for discussion. As hon. members know, the power of committees to change bills is extremely limited by the material they are originally given, so we will have to overcome this by sending the subject material to committees for discussion.

I want to indicate to hon. members that we have changed the policy. We are trying to work out some agreements and trying to cope with the problem under existing Standing Orders. We hope a greater number of bills and motions will go to committee. There are attendant responsibilities upon members to canvass the ideas they are expounding in bills and motions. This could make our job and that of the committees much easier.

Mr. G. W. Baldwin (Peace River): Madam Speaker, I agree with the parliamentary secretary. After 107 years it is time that more private members' ideas were debated and brought to a decision. The parliamentary secretary suggested one way that this could be done.

As a lawyer who has ascended to the respectability of being a member of the House of Commons and left the low degree of practice at the bar, I sometimes think it would be better if more bills were drafted by laymen. They might be more intelligible than those drafted now by members of the government.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

Motion agreed to, bill read the third time and passed.

Some hon. Members: Six o'clock.

The Acting Speaker (Mrs. Morin): Is it agreed to call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): Order, please. The hour appointed for consideration of private members' business having expired, I do now leave the chair until eight o'clock p.m.

At 5.57 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

FEDERAL BUSINESS DEVELOPMENT BANK ACT

MEASURE TO ESTABLISH CORPORATION

The House resumed consideration of Bill C-14, to incorporate the Federal Business Development Bank, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, and motion No. 2 (Mr. Gillespie).

The Acting Speaker (Mr. Penner): Order, please. When the House rose at five o'clock it had been considering Bill C-14 at the report stage, motion No. 2 and the amendment thereto proposed by the hon. member for Gatineau (Mr. Clermont).

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I wish to comment on the amendment to the motion proposed by the hon. member for Gatineau (Mr. Clermont), and on what the minister said just before private members' hour. I was struck by how the minister distinguished between the directors of the bank and the president of the bank. The minister said that the president must divest himself of any holdings which might conflict with his function as president because he, the president, is to be a full-time president, whereas the directors of the bank, who will be part-time directors, will not be required to divest themselves of holdings which might involve them in conflict of interest. That, I think, was the purport of his suggestion.

Clearly, according to what the minister said, the president need not divest himself of all holdings, but only of those which may involve him in a conflict of interest. Therefore the distinction between the president and the directors of the bank is this: the president is to serve full time and the directors part time. Obviously, the president will not be at his job 24 hours a day, and for that reason he is to be allowed to keep some holding on the side, so long as they do not conflict with his activities as president.

The minister should examine the double standard contained in the bill as it seems to me that, under certain conditions, the president could be involved in a conflict of interest just as easily as any director of the bank. Obviously, the only real difference between the president and a director lies in the amount of time which each will spend serving the bank. Therefore the public interest is not served if we allow even the possibility of the directors being involved in the conflict of interest. I suggest, therefore, that the motion of the minister, as amended by that of the hon. member for Gatineau, is not nearly as satisfactory as the motion No. 3 on the order paper in the name of the hon. member for York-Simcoe (Mr. Stevens).

My next point concerns another failure in the motion before the House, as amended. The minister said that if the interests of a director or of his family are being discussed, that director must not participate in the deliberations of the board. The minister thinks that the public interest will be served if the director merely leaves the room and does not participate in the discussions. Surely he is not so naive as to think that because a director is not present, he will not influence the deliberations of his colleagues? It is quite possible for one who is not present to influence discussions and, in that way, to participate in them indirectly. That is something which cannot be monitored and may lead to a possible conflict of interest.

Second, one must bear in mind the psychology of groups. Groups, be they boards of directors of otherwise, function on the basis of co-operation and friendship. So, even if a director is absent and does not lobby directly for his interests, it is quite probable that directors remaining and taking part in the discussion may consider the interests of the absent director, may consider what may best serve his interests and what may aggrandize his wealth. I find it hard to believe that the remaining directors will be oblivious to these considerations, even though their ultimate decision may not favour the absent director.

Anyone who ignores these possibilities is ignorant of the way groups work. Clearly, the remaining colleagues of the absent director will be aware that his interests are at stake and these, unquestionably, will be considered, even though the result may not favour him. Unquestionably these factors will affect the deliberations of the board. For that reason I suggest that the amendment to the motion moved by the hon. member for Gatineau is inadequate, and motion No. 3, in the name of the hon. member for York-Simcoe, ought to be considered favourably.

● (2010)

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, our experience in dealing with the subject of conflict of interest in the House in the last two weeks in relation to other matters makes it clear there is a lack of appreciation by the government of what is really involved. In the particular case we are considering, that of a director of the bank or of a regional councillor, I do not think the minister's proposal comes close to meeting the situation.

It seems to me the thinking of the government is out of line with the thinking of the average Canadian on this subject. A great many people are already disturbed lest politicians and highly placed civil servants are taking advantage of the positions they hold. In these circumstances we ought to bend over backward to make sure that provisions against conflict of interest are sufficiently stringent. The proposal in motion No. 2 can only be described as milquetoast compared with the strong position taken in motion No. 3. The proposal put forward by the hon. member for Gatineau (Mr. Clermont) is so weak that I do not believe it would encourage the ordinary person in Canadian society to believe that situations in which conflict of interest could occur are being minimized.

In proposing motion No. 2 the government shows that it is not in touch with the times—that it is really trying to perpetuate the existence of a state of affairs which is unacceptable to the Canadian people. The need is for stringent legislation on this subject, and motion No. 2 simply does not meet it.

Mr. Sinclair Stevens (York-Simcoe): In dealing with the amendment put forward by the hon. member for Gatineau (Mr. Clermont) I would say, first of all, it is purely a drafting amendment and that no change in principle is contemplated. What I find most disturbing is the extremely confused interpretation the minister has placed on the

differences between Motion No. 2 and Motion No. 3. For the minister to suggest that Motion No. 3 is not so far removed in its effect from Motion No. 2 is misleading.

Motion No. 3 makes it clear that the corporation shall not make loans etc. to directors or to members of the regional advisory councils. It is a direct prohibition. On the other hand the minister, presumably ever anxious to cater to the directors he intends to appoint, says in his motion that loans can be made to directors but they have to be made at board level, and that particulars of the loans are to be recorded in the annual report. We say that if such loans are to be made then the particulars should certainly be recorded and made known. But our position is this: why should the funds of the bank be used to support the business activities of directors or of those associated with directors?

If the House accepts the proposal put forward by the minister it means that any one of the directors, any one of the regional councillors, could borrow a million dollars from the bank at any rate agreed upon, and the only penalty would be that their names would be recorded in the annual report after the event.

I suggest that the minister attempted to confuse the issue. He pointed out that we do allow for a firm or corporation in which the beneficial interest of any person or persons, that is, a director or a member of a regional advisory council, is less than 50 per cent, to borrow in certain circumstances. We incorporated that provision deliberately because we did not wish to be unreasonable, and in an attempt to get government support for the motion. If the minister feels the 50 per cent figure is too high, let him say so. Nothing turns on it. If he thinks it should be 10 per cent, we would agree.

We are saying that only in certain cases would the type of approach favoured by the minister be permitted, that is, a loan to a corporation in which only 50 per cent or less is involved. Such a firm may wish to deal with the Industrial Development Bank, and in so doing we are stating it will have to declare its interest, refrain from voting at the board level, record the fact that a loan has been made, and that only in that situation should any loan be permitted.

The Industrial Development Bank has loaned out $247 million so far this year. It has almost $1 billion worth of loans on its books. If we pass this legislation the bank anticipates that it is going to increase this amount to a total of $2.2 billion. For the first time this corporation will be run by a board of directors, the majority of whom come

● (2020)

from the private sector. Surely it would be the height of irresponsibility for this House to pass a bill which not only does not prohibit those directors from borrowing from this bank, but which sets up a framework within which, by going through the prescribed system, they can literally borrow from the bank to no limit, and in this way divert funds to their own personal benefit and away from the benefit of small business in this country.

Again I point out there is no definition given of "small business". We know that a certain portion of the loans granted by the Industrial Development Bank are over the $200,000 level. It could well be that the Industry, Trade and Commerce influence in running the new Federal Business Development Bank will ensure that loans made in future are much bigger and will total well over the $250 million mark already set by the Industrial Development Bank this year.

This is why I believe it is wrong for the minister to try to gloss over the distinction. The distinction between motion No. 3 and motion No. 2 is very simple. If hon. members vote for motion No. 3 they are voting for a prohibition against the directors of this new bank being authorized, and indeed entitled, to borrow from the bank of which they have the honour to be directors. If hon. members vote for government motion No. 2, what they are saying, in effect, is: "Go ahead, boys; if you are lucky enough to get a Liberal appointment to this board, then you can line up to get your loan. Naturally you will disclose your interest, and we would not like you to vote at board meetings, but in any event you will sure get your loan and, of course, you will have to show it in the annual report afterwards".

Surely it was not the intention, when the Industrial Development Bank concept was originally conceived, that directors would use it perhaps as their own private source of funding. I think it is time parliament showed the government that it in no way intends to accept such a misuse of public funds.

I hope that others will join in this debate, not only at this stage but at third reading, because I believe there is an important question of principle here. We must start drawing the line between conflicts of interest that can be tolerated and the point where parliament says it is not going to tolerate any further conflict of interest of the kind this government is indulging in. It is high time we showed the people of Canada that we believe we are acting responsibly, that we are not going to set up a bank with ten directors and perhaps 50 regional councillors who will have direct access to public funds in the bank for their personal benefit.

I repeat, the simple issue is this: if hon. members vote for motion No. 3 they are saying, "In no way will we tolerate this type of misuse of public funds". If they vote for the government motion No. 2 they are saying, "Go to it, boys; let us have more conflicts of interest. All you have to do is make sure you do it in the right way".

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I want to comment only briefly on this bill. Having listened to the comments of the hon. member for York-Simcoe (Mr. Stevens), one begins to think that he is suffering from a Watergate mentality.

Yes, these men are respected in the community. They are gentlemen and ladies who will be picked to serve on the board of directors. One would think they could hardly wait to get their hands on all this money.

When this particular provision came before the committee, many of us on this side were apprehensive and thought there should be a tightening up. The minister was good enough to listen to the representations that were made and he gave us an undertaking that he would bring forth an amendment, which we should look at and see whether it met the kind of requirement that we had in mind, so there might be some form of restriction or control

over loans which quite justifiably might be made to members of the board of directors or to regional councillors.

The rules in motion No. 2 are not easy to overcome, and I think the necessary protection will be provided in this bill. Unhappily, the hon. member for York-Simcoe has brought in an amendment which, so far as the bill is concerned, would put the members of the board of directors and of the regional councils into a kind of economic straitjacket.

Mr. Stevens: Nonsense.

Mr. Cullen: The same is the case with firms of which they are shareholders. This is precisely what would happen. It would put that kind of restriction on people who served on the board of directors or on a regional council. The impact that this would have on their particular business enterprise is just absurd to consider. So I think my words are correctly chosen: these people would be put in an economic straitjacket by the kind of wording suggested in motion No. 3.

I have not heard much in the way of substance in the hon. member's argument. We hear the raised voice, the suggestion that there is a condoning here of a conflict of interest. We see an illustration of phony anger across the floor, but a failure to recognize how difficult it would be to get a loan under motion No. 2 in some kind of underhand way, a loan to which they were not entitled. I think the amendment put forth by the minister, as he undertook to the committee to do, adequately protects the taxpaying public.

Mr. Clark (Rocky Mountain): It doesn't do a thing.

Mr. Cullen: The hon. member shouts from his seat that it does not do a thing. That is the kind of intervention we might expect. Obviously he does not even want to read the clause. The hon. member for York-Simcoe says that all one has to do is to get on the board of directors, and the gates are open and you can take out any kind of loan. With respect, that is Watergate thinking, and the businessmen of Canada do not operate in that way.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I find it interesting that the first member to make reference to Watergate is the hon. member who has just taken his seat. He suggests that the members on this side have Watergate on their minds. It is obvious that Watergate is on his mind.

The Parliamentary Secretary to the Minister of Finance (Mr. Cullen) also said that these people are gentlemen, and that therefore we do not need—

Mr. Cullen: And ladies too.

Mr. Knowles (Winnipeg North Centre): Did the hon. member say that?

Mr. Cullen: Yes, I did.

Mr. Knowles (Winnipeg North Centre): So he said "gentlemen and ladies." Despite the newfangled approach, I would still prefer to say ladies and gentlemen. Therefore, said he, it is better to trust them than to make these ironclad arrangements.

I am going to refer to a conversation that took place between a minister and myself some time ago. It really does not matter when, because it is the kind of conversation that has taken place a good many times since I have been here. On this particular day there was a certain government document that some of us felt it was proper for at least one member of each opposition party to have in advance. For a while we were refused, with the statement that, "It is not that we don't trust you; you are gentlemen. We are doing this for your own protection". I think that is a good argument. I would say that in this matter my friends to the right, and they will probably be surprised to hear me support them for a change—

● (2030)

Mr. McKinley: Not at all; you are learning every day.

Mr. Knowles (Winnipeg North Centre): I think my friends to the right have made a good case for the proposition that the provisions regarding conflict of interest should be precise and definite. I also feel that my friends to the right have been quite justified today in seeing in this, not just the issue as it pertains to this legislation, but the issue as it pertains to the question of conflict of interest as a whole.

I do not think one needs to go over this argument in great detail. The difference between Motion No. 2 and Motion No. 3 is quite clear. In Motion No. 3 there is an absolute prohibition against certain interested parties, or against certain people with whom there is a conflict of interest, getting loans from this bank. In Motion No. 2 this is simply made difficult. The Parliamentary Secretary to the Minister of Finance, may say it is very difficult but, no matter how difficult it is, it is still possible. That is the simple difference between the two approaches, and I think the House should have the chance to decide between those two.

This leads me to express a concern about the announcement from the Chair earlier today as to how we would deal with Motion No. 2 and Motion No. 3. Maybe I am late in raising it, and perhaps I should have raised the point when His Honour made the announcement. As I recall what happened, he said there would be a vote on No. 2 and, if it was an affirmative vote, that would take care of the matter and there would then be no need to vote on No. 3.

The hon. member for York-Simcoe (Mr. Stevens) is calling for a vote on No. 3 rather than on No. 2.

If there is a vote on No. 2 and No. 2 carries, there will be no vote on No. 3. It seems to me this matter might be reconsidered by the Chair in that No. 3 goes further than No. 2. Surely the logical thing is to decide first if the position in No. 3 is what we want, then if the vote is yes that settles it. If the vote is no, it is then in order to retreat, as it were, to the position in No. 2. It seems to me that would be a much fairer way than that proposed earlier by the Chair, because if we vote on No. 2 and it is carried we get no chance in respect of the proposition in No. 3. I would hope, therefore, that that aspect of the matter might be reconsidered.

Mr. Bill Kempling (Halton-Wentworth): During the dinner hour I examined the amendment put forward by the hon. member for Gatineau (Mr. Clermont), and I

cannot see that it is much more than cosmetic changes to Motion No. 2 put forward by the minister. The proposed changes do not really mean that much more, and like those who have spoken before me I want to repeat that there is a considerable difference between Motion No. 2 and Motion No. 3. I find it rather hard to swallow the line of reasoning put forward by the Parliamentary Secretary to the Minister of Finance (Mr. Cullen), that the directors and the regional advisory council members would be put in an economic straitjacket as far as Motion No. 3 is concerned.

Mr. Cullen: No, in so far as this bill is concerned.

Mr. Kempling: I think that is really stretching the point when you consider that the chartered banks in Canada have something like $60 billion available to them. Do you mean to tell me that some 50 people could not go to one of the chartered banks—

Mr. Cullen: Mr. Speaker, I rise on a point of order. I know my hon. friend is not deliberately misinterpreting, but I think he may have missed my words. I intended to say that they would be put into an economic straitjacket in so far as borrowing under this bill is concerned.

Mr. Kempling: And why should they not be?

Mr. Cullen: I am just making my point. My point was not that they would not be allowed to deal with other banks and financial institutions, but I said they would be in an economic straitjacket as far as this bill was concerned. They would not be able to make a loan or borrow money from this bank.

Mr. Kempling: The parliamentary secretary's point is somewhat clarified, but they do not have to take the jobs if they do not want to, Mr. Speaker. The choice is theirs. We are not creating a special situation just for the directors and the advisory council members. I still say that the chartered banks in this country have $60 billion to lend out, and they are quite free to go and apply for a loan from those banks if they desire. I just do not follow that line of reasoning at all.

I think the hon. member for York-Simcoe (Mr. Stevens) when he drafted Motion No. 3 was pretty straightforward and had his eyes wide open. He suggested, and I think we all generally agree, that if the minister would accept Motion No. 3, but felt that the 50 per cent as stated was too high, then it would be quite in order to reduce that. We had to strike a figure somewhere, and 50 per cent seemed like a reasonable round figure. I think we would be quite prepared to entertain the suggestion that we should reduce that to a lesser percentage.

The parliamentary secretary talked about a Watergate mentality. That is the furthest thing from our minds. We are talking about the integrity of this institution and the legislation we are passing. We had a considerable amount of difficulty, as the minister and the hon. member will appreciate, getting the proper information before the committee in order to make a thorough examination of the legislation.

I am inclined to agree with the hon. member for Winnipeg North Centre (Mr. Knowles) when he said these are really two separate issues. I certainly hope the Speaker will take notice of this and reconsider the matter in order that we might consider Motions Nos. 2 and 3 separately. When the Chair suggested that both motions should be considered at the same time I wonder if Mr. Speaker really understood the intent of Motion No. 3, because although they cover the same general area they are quite different in their approach.

I have not heard the minister, or any of the members on the other side explain why they think a director or a regional advisory councillor should be allowed to get a loan from this bank. As I understand the situation now, directors are not allowed to borrow from their banks.

The hon. member for Gatineau made some reference to the fact that directors of private banks or chartered banks could make loans from those banks but, as he well knows, this is covered by the bylaws of the banks. Just as with any corporation, they have bylaws that restrict the boards of directors.

I have not heard any argument or rhetoric from the other side which convinces me that the director or the regional advisory councillors should be allowed to borrow from this bank. What the bill and the minister's amendment say is that we are making loans available to them, and we have not heard why that should be so.

Surely to goodness we can find 200 people across this country who could be directors and regional advisory council members who do not require assistance from a Federal Business Development Bank. If they or any members of their families happen to be shareholders in a corporation we are not preventing them from borrowing from a bank, and I have not heard anyone on that side explain why these people should be allowed to borrow from this bank.

When I first read the bill this matter jumped right out at me. This hit me as something that should not be allowed. After all, the confidence and the integrity of the Federal Business Development Bank is most important, so far as I am concerned, and any suggestion that would erode its integrity, by insinuation that someone has an inside tract that someone else does not have, I think would be very detrimental. I should like to hear one of the hon. members opposite explain why he thinks a director or regional advisory council member should have the right to borrow from a bank.

● (2040)

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

Some hon. Members: Question.

The Acting Speaker (Mr. Penner): The question is on the amendment in the name of the hon. member for Gatineau. Is it the pleasure of the House to adopt the said amendment?

Mr. Stevens: I rise on a point of order, Mr. Speaker. I would appreciate it if the point raised originally by my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), could be dealt with. I take it from your present proposal in voting on motion No. 2—

Mr. Knowles (Winnipeg North Centre): We are only voting on the amendment so far.

Mr. Stevens: All right, it is the amendment. I should like a ruling, if I may, as to whether once we pass the amendment to motion No. 2 we could proceed with motion No. 3 first, because I think the point is well taken that motion No. 3 is much broader and our inclination would be to support it for the reasons given. If that were defeated, we would then support motion No. 2 because it at least is better than the present provision in the bill.

The Acting Speaker (Mr. Penner): What the House is considering now is an amendment to Motion No. 2. The Chair has noted the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for York-Simcoe (Mr. Stevens), and all hon. members will be aware that the vote on motion No. 2 is deferred.

It will give the Chair an opportunity to consider the arguments made. Therefore it is not necessary, in order to make a decision on this point, to have a ruling at this time because of the deferral.

Is it the pleasure of the House to adopt the said amendment?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Penner): All those in favour of the said amendment will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

The Acting Speaker (Mr. Penner): In my opinion the yeas have it.

Amendment (Mr. Clermont) agreed to.

The Acting Speaker (Mr. Penner): The question is on the motion. Is it the pleasure of the House to adopt the said motion as amended?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I thought you just said this matter would be deferred. Did you mean that you would defer calling the vote or simply defer the recorded vote until a decision is made as to what is to happen in respect of motion No. 3?

The Acting Speaker (Mr. Penner): The vote itself will be deferred under Standing Order 75(11), and before that vote is taken a decision will be rendered by the Chair.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

The Acting Speaker (Mr. Penner): In my opinion the yeas have it.

Some hon. Members: On division.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, there is a bit of confusion which could be cleared up if somehow we can be assured that there will be a chance to vote on motion No. 3. Somebody says that motion No. 2 has been carried. That is the whole point. We have been arguing that if motion No. 2 carried that would take care of motion No. 3, and that would be wrong. Your Honour said that question would be considered in the meantime. We cannot now have it said that motion No. 2 has been carried, for that would be the end of the story.

The Acting Speaker (Mr. Penner): I thank the hon. member. It was the understanding of the Chair that there would be a deferred vote on this. Obviously that was not the decision of the House this evening, and the Chair must abide by that. However, the view expressed by the hon. member for Winnipeg North Centre will of course be considered. In the meantime we have motion No. 4 and motion No. 1, which the House may now consider. I would seek the advice of the House as to which of these motions hon. Members wish to pursue now. Motion No. 1 is in the name of the hon. member for Lanark-Renfrew-Carleton (Mr. Dick), and motion No. 4 is in the name of the hon. member for York-Simcoe (Mr. Stevens).

Mr. Clark (Rocky Mountain): On a point of order, Mr. Speaker, could we request that there now be a vote on motion No. 3?

An hon. Member: No. It is carried.

Mr. Clark (Rocky Mountain): Mr. Speaker, the impression held by members in various parties on this side of the House was that the vote that was to be taken would not be a vote which would remove forever the possibility of voting on motion No. 3 as it appears on the order paper. We had the understanding from the Chair that the decision would be deferred as to the order in which we would deal with motions Nos. 2 and 3.

Mr. Beatty: On this point of order, Mr. Speaker, let me reiterate that it was quite clear to me, from what Your Honour said, that it was your intention to defer the vote on motion No. 2. It was our understanding we would have the opportunity then to have a vote on motion No. 3. Once having said you were deferring the vote on motion No. 2 you proceeded to call it, which came as a great surprise to us. I suggest it would be quite improper not to give the House an opportunity consciously to make a decision as to whether or not Motion No. 2 or motion No. 3 should be passed.

Mr. Stevens: On the same point of order, Mr. Speaker, may I say that I am sorry for the confusion on this point. I am particularly sorry our House leader is not here. We discussed this, and the consensus certainly at that time was that we would recommend that we proceed with the debate, and that hopefully we would proceed to all stages of the debate, but that if there were any votes they should

be deferred to a later date. The initial suggestion was that they be deferred until Tuesday, but Tuesday being an opposition day we thought possibly it would have to be Wednesday. Unfortunately our House leader is not here, but I would recommend that you at least consider this suggestion.

An hon. Member: You have already voted.

The Acting Speaker (Mr. Penner): I think that the House finds itself in this difficulty because the opportunity to defer the vote, which was the understanding mentioned by the hon. member for York-Simcoe, was missed because the required number of members did not rise in their places, which would have allowed the Chair to postpone the vote according to Standing Order 75(11).

One way in which we can resolve the difficulty is, by unanimous consent, calling the question again on motion No. 2 and have members rise, and then we can defer the vote until the required time. If that were agreed then there still would be an opportunity for the Chair to take into consideration the suggestion made by the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, it seems to me there is confusion and, with respect, I think it is in your mind as well, between taking a vote and having a recorded vote. If you put the question and call for the yeas and nays—

An hon. Member: He did.

● (2050)

Mr. Knowles (Winnipeg North Centre): All right, when Your Honour puts the question and calls for the yeas and nays and you declare the motion carried, that is the vote. To say that it is being put off until Monday, Tuesday or Wednesday is merely deferring the formality of the recorded division. My complaint is that the taking of the vote on motion No. 2, by virtue of the announcement made earlier today from the Chair by His Honour, Mr. Speaker, wipes out any possibility of voting on motion No. 3. In my view what should have been deferred was the taking of the vote the way we took it. When you say that the recorded division is being put off, that does not put off the vote. The vote has already been taken on motion No. 2 and has been carried, and when you couple that with Mr. Speaker's announcement, the vote on motion No. 2 takes care of No. 3, and No. 3 has had it.

I think the whole procedure should be reviewed by Your Honour at your next morning prayer meeting to see if you cannot sort it out again.

Mr. Stevens: Mr. Speaker, I wonder if we could have some indication from the acting house leader as to whether it is the intention to defer whatever the vote is until Wednesday, on the understanding that the debate will be completed as quickly as possible either tonight or tomorrow.

Mr. Gillespie: Mr. Speaker, I would like to get some clarification with regard to the proposal respecting a deferred vote. It is not clear to me how that deferred vote would be taken. What is the proposal of the opposition, or of the Chair, in regard to the order in which the votes would be taken and, if so, when, and what does the phrase "deferred vote" mean? I would appreciate, as I am sure other members of the House would, a clarification of some of these terms.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, pardon me for getting up so often, but what I asked for when I raised the point some time ago was not the mere deferment of the mechanics of a recorded vote until some other day but that the vote on motion No. 3 be called before the vote on No. 2. I gave my reasons, and the hon. member for York-Simcoe (Mr. Stevens) repeated them. Motion No. 3 is broader, and it seems to me that we should decide whether we go that far first. If, instead, we decide on the narrower proposition in motion No. 2, that ends the story. It seems to me that what is called for is a review of Mr. Speaker's announcement this afternoon that the vote would come first on motion No. 2 and an affirmative vote on it would settle motion No. 3. I think that the order should be reversed, that the vote on motion No. 3 should be taken first.

An hon. Member: Why?

Mr. Knowles (Winnipeg North Centre): Because I believe in doing things logically. An affirmative vote on motion No. 3 would adopt the wider proposition. If it were defeated, it would be still open to us to slip back to motion No. 2. But if motion No. 2 is carried, there is no opportunity to go on to motion No. 3. I suggest that the House agree to let the whole matter stand until Mr. Speaker, and the rest of those in the chair and at the table, can review the matter at one of their morning sessions.

The Acting Speaker (Mr. Penner): I thank hon. members for their contribution to the present dilemna in which we find ourselves. The Chair will make a suggestion to the House in order that we may proceed with the business before us this evening, and that is that, by unanimous consent, the vote on motion No. 2 be deemed not to have been put, and that we proceed with the debate immediately on motion No. 3. If the House would agree to that, then we would be able to proceed with our business this evening in a straightforward way.

Mr. Gillespie: I rise on a point of order, Mr. Speaker. I should like to clarify this matter of the debate on motion No. 3, because it was my impression that the House has been debating both motions Nos. 2 and 3 since we met this afternoon.

Mr. Knowles (Winnipeg North Centre): It is the order of voting that is at stake.

Mr. Gillespie: We have come now to the point where we are ready to proceed to other motions, and of course I would seek your guidance as to whether it would be motion No. 1 or No. 4. But so far as the debate is concerned, I understand that we have completed the debate on both earlier motions. The confusion, as I understand it, revolves around whether or not there was to be a deferred vote, or whether in fact a vote has occurred which has been an affirmative vote in favour of motion No. 2. I am anxious to co-operate with the House and to proceed with this bill as, I am sure, are members of the House. I hope it

might be possible to reach agreement to conclude the debate on both motion No. 1 and motion No. 4 this evening, and then have a deferred vote at whatever time Your Honour feels is appropriate. I think that the House leaders and yourself have agreed.

The point I want to make is that this is an important bill. The whole question of extending loans to small businesses in Canada has been seriously slowed down awaiting the provisions in the bill, and I hope that all members in the House can join in agreeing this evening to an expeditious completion of the bill on the report stage. On that basis I would be prepared to go ahead.

Mr. McKinley: Mr. Speaker, I rise on a point of order, further to the same point of order that the acting House leader has brought up. I would ask whether the acting House leader would agree that we not proceed with third reading until the deferred vote that he has mentioned can be held on the report stage. If we could have that assurance, I think we could proceed with that kind of arrangement.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, surely the answer to that point is obvious. We cannot proceed to third reading until the report stage is over.

Mr. McKinley: But I am not sure the minister knows it.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I should like to comment on something the minister said a moment ago. In my view he was right, up to the point where he said that the debate on motions Nos. 2 and 3 is now concluded. But then he got off base a bit when he said that the confusion is about the deferred vote but on which motion to vote on first. I thought that Your Honour had that straightened out a moment ago when you suggested we vote first on motion No. 3. If it carries, then that is the last vote, but if it is defeated, then you can put motion No. 2. I think Your Honour was right a few moments ago.

● (2100)

Mr. McKinley: That does not answer my question.

Mr. Gillespie: In answer to the acting House leader's question to me, Mr. Speaker, I would agree that the vote on the motion take place, of course, at the report stage before we move on to third reading. I would suggest that the timing of the deferred vote be a matter of discussion between House leaders, but that the deferred vote should take place on each of those motions at the same time. I am not expressing any opinion as to which should come first. That opinion has been asked of the Chair, and it is something on which all members of the House would look to the Chair for guidance.

Mr. McKinley: Mr. Speaker, in view of what the acting government House leader has said, we were wondering whether it would be possible to have these deferred votes next Tuesday, immediately following orders of the day.

Mr. Knowles (Winnipeg North Centre): That is an opposition day.

Mr. Gillespie: Mr. Speaker, for our side I say yes.

[Mr. Gillespie.]

Mr. Reid: Mr. Speaker, now that there is some agreement as to how to proceed, perhaps it might be made an order of the House so that on Tuesday the vote could be taken automatically on all four motions. This might save some trouble.

Mr. Knowles (Winnipeg North Centre): Just a minute, Mr. Speaker. My friends of the Social Credit Party are justifiably muttering that they do not want time taken out of their opposition day for three or four recorded votes.

Mr. Reid: Mr. Speaker, in a spirit of co-operation may I suggest that perhaps we could do it Wednesday after orders of the day.

Some hon. Members: Agreed.

Mr. Reid: Could we have a House order, Mr. Speaker?

The Acting Speaker (Mr. Penner): The House has heard the suggestion. By unanimous consent the vote on motion No. 2 is deemed not to have been taken. Motion No. 2 stands. The question would be put on motion No. 3 and deferred. Is it so ordered?

Some hon. Members: Agreed.

Mr. Reid: Could I make that clear, Mr. Speaker, that the votes on all four motions will be taken on Wednesday after orders of the day. Is that the understanding?

The Acting Speaker (Mr. Penner): Is that agreed?

Mr. McKinley: Mr. Speaker, we would agree provided we stay on this item until report stage is concluded.

Mr. Gillespie: Excuse me, Mr. Speaker, I thought we had reached agreement on the basis that we would complete debate on the motions this evening and had agreed to the deferred vote. We have already finished the debate on motions Nos. 2 and 3, and the suggestion I made was that we conclude debate on the remaining motions this evening and have a deferred vote at a later date.

Mr. Dick: Mr. Speaker, it is my understanding that there was no agreement that two motions would be dealt with in the next 55 minutes. It may take an hour of tomorrow's time, or two hours, or an hour and a half. But it would be done before Wednesday. There is no doubt about that. However, we did not say we were going to be limited to 55 minutes. We have taken up 30 minutes discussing this procedural problem tonight. I do not think there was any agreement of the House that we would limit ourselves to 55 minutes.

The Acting Speaker (Mr. Penner): Is it agreed that the House now proceed to consideration of motion No. 4?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I thought you were going to put the vote on motion No. 3 so that we could defer it.

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

Some hon. Members: Question.

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

Some hon. Members: Yea.

The Acting Speaker (Mr. Penner): Those opposed please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Penner): In my opinion the yeas have it.

And more than five members having risen:

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

Mr. Reid: Mr. Speaker, in the discussions that have taken place as to the disposition of the report stage it was my understanding that the votes on all the motions would be taken Wednesday after orders of the day.

Some hon. Members: That is right.

Mr. Reid: I wonder if it might be possible to consider two alternatives to the question of that timing, first, that we might sit for an extra hour this evening if there was agreement to conclude the motion. That would provide two hours for discussion of the motions. Alternatively, perhaps we could agree to provide another hour or two hours out of tomorrow's time and conclude them that way.

An hon. Member: Right after question period.

Mr. Reid: It really does not matter to us when it is. There is a program that is expected to be completed tomorrow, and whether we take the time tomorrow or tonight does not seem to matter.

Mr. McKinley: Mr. Speaker, I understand the hon. parliamentary secretary's concern but we do not believe it will be necessary to sit extra hours tonight to conclude discussion on this item. If we do not finish tonight perhaps an hour or so tomorrow would be sufficient, unless other parties disagree with that. I cannot speak for other parties.

Mr. Sinclair Stevens (York-Simcoe) moved:

That Bill C-14, An act to incorporate the Federal Business Development Bank, be amended by numbering clause 48 as sub-clause 48(1) and by adding next following line 26 on page 20, the following:

"(2) The statement of accounts that the Corporation is required to include in its annual report under the *Financial Administration Act* shall disclose the five highest salary or remuneration ranges in the pay and classification structure of the Corporation and the name and official job description of each officer or employee within each such range, other than a person selected from the public service of Canada under paragraph 5(*b*), during the year to which the statement relates."

He said: Mr. Speaker, we propose this amendment as a result of the rather surprising fact that, in committee, we were denied the right to learn the salaries of the five senior officers of the Industrial Development Bank. Granted we know that the Governor of the Bank of Canada, who is also president of the Industrial Development Bank, earns $75,000 a year. That is public knowledge. When we asked about the salaries of the other senior officials of the Industrial Development Bank we were denied that information.

During questioning in committee the Minister of Industry, Trade and Commerce (Mr. Gillespie) asked us to show a precedent where senior officers of a Crown corporation were required to disclose their salaries. Such precedent was not produced at that meeting. At a subsequent meeting dealing with the Export Development Corporation, however, it was pointed out that in the corporation's annual report for 1973 in Note 9 to the financial statement, the aggregate of salaries of the officers of the Export Development Corporation was revealed.

● (2110)

Consequently we are in the position that the minister denied the right of the committee to know the salary levels of senior executives of the bank, on grounds that there is no precedent for such information to be divulged, without realizing that a Crown corporation which answers to him is quite prepared to reveal the aggregate of executive salaries. Surely when we are dealing with taxpayers' money, the taxpayers should be entitled to full disclosure of such relevant information. The minister is not justified in refusing to provide this information.

The government, along with provincial governments, has insisted on private corporations making this type of knowledge available to shareholders. Surely, as all the people of Canada are shareholders of our Crown corporations, it is not unreasonable to ask those Crown corporations to make that knowledge available to their shareholders, the people of Canada.

What does the law say about private corporations? Part I of the Canada Corporations Act requires the following information to be made available:

... the aggregate remuneration paid by the company during its last financial year, if completed at least three months prior to the offer ...

That refers to an offer of takeover:

... and estimated to be paid or payable during the current financial year ... to directors and (separately stated) to officers who individually have received or may be entitled to receive remuneration in excess of ten thousand dollars per annum;

Our law says that private Canadian corporations must make such information available.

Ontario Securities Act regulations say that remuneration of directors and senior officers shall be furnished, if possible in tabular form. That information is to include:

The amount of the aggregate direct remuneration paid or payable by the issuer ...

That language refers to the company issuing the security:

... and its subsidiaries, whose financial statements are consolidated with those of the issuer, to the directors and senior officers of the issuer, and as a separate amount the aggregate direct remuneration paid or payable to such directors and senior officers by the subsidiaries of the issuer whose financial statements are not consolidated with those of the issuer, such aggregate amounts to be furnished for the last completed financial year of the issuer and as separate amounts for the period from the last completed financial year to a date within 30 days of the date of the preliminary prospectus or the date of the prospectus filed under section 64, as the case may be.

I could cite other examples to establish the principle that a company must reveal the salary levels of its senior

personnel. Yet, strangely, with respect to a company which is answerable to the public, namely, a Crown corporation, there is no such provision.

If there had been frank disclosure in committee, motion No. 4 would not have been necessary. As it is, we see no alternative but to propose motion No. 4, to ensure that the salary ranges of top officials working for the Federal Business Development Bank will be made public knowledge.

It was suggested in committee that motion No. 4 is not necessary, and that what we seek can be accomplished by an amendment to the Financial Administration Act. Mr. Speaker, it is not within the power of the opposition to amend the Financial Administration Act; therefore we have no alternative but to propose motion No. 4.

Let me add something else. Any member of this House may phone Washington and ask what is the salary of the senior officers of any state-owned corporation in the United States. That information will be given to you over the telephone. Such information is regarded as public knowledge. I have done this myself. I telephoned and asked what is the salary of the chairman of the Export Import Bank, and the public relations person I was speaking to said that it is $40,000. I then asked for the breakdown of the salaries of the next four senior officers of the Export Import Bank, a state corporation comparable to a Crown corporation in Canada, and was told that they each earn $38,000, and that there is no expense allowance. Mr. Kissinger's salary was given to me. You can ask for the salary of any government official in the United States. I was told such information is available as a matter of right to anyone who wants it. Yet, in Canada a secretive, arrogant, ruthless government denies such knowledge to members of the opposition and to the people of Canada. So we are forced to draw this matter to the attention of the public.

I ask all hon. members to support motion No. 4, so that we may be certain that this type of knowledge will not be kept secret in future. Why should it be secret? Public service salaries are public knowledge. We are not asking what the actual salaries of the officers of the bank are to be; we are asking, on behalf of the Canadian people, what is to be the salary range of the five senior executives of the proposed bank. Why should there not be this type of open disclosure? I will be dismayed if the government does not support this amendment.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I must endorse as strongly as I can what the hon. member for York-Simcoe (Mr. Stevens) has just said. We wasted three one-and-a-half-hour sittings of the Standing Committee on Finance, Trade and Economic Affairs in trying to obtain the sort of information which must be divulged by private companies under the Canada Corporation Act. Our requests were refused, even though such information must be provided by the private sector. Yet here we are dealing with a Crown corporation and I, and other members of that committee, cannot understand why this information was refused.

We merely asked for the salary ranges of the five most senior officers. That information could have been provided; the exact dollars and cents figures may not have been necessary. I say that the government's refusal in this area, its attempt to keep certain information secret, indicates that it is out of touch with what the public of Canada expects.

Something happened in the committee which has not been made generally known. After we finished dealing with Bill C-14, we considered Bill C-9, the Export Development Act. An official of the Crown corporation concerned volunteered to make the sort of disclosure for which we are asking at present. When asked why, he said, "It is just good accounting practice; private corporations must do it, and I believe we should be required to do it as well."

That was an honest statement made by the President of the Export Development Bank, and he showed the direction in which we should go. I think it was a good statement and I can only hope the minister will support the amendment, or make some arrangement for disclosure each year in the annual report. This is the direction in which society should be going, and the bill before us should at least reflect what is being done by the Export Development Bank.

● (2120)

Mr. Beatty: If the minister would like to make a comment I would be delighted to let him speak first.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I should like to clarify a number of points. First, the amendment does recognize the relevance and jurisdiction of the Financial Administration Act. The hon. member for York-Simcoe (Mr. Stevens) made that clear. He said that the statement the corporation was required to include in its annual report under the Financial Administration Act should disclose the higher salaries of remuneration ranges, and so on. Clearly he drew attention to the relevance and jurisidiction of the Financial Administration Act in connection with this measure.

The second point I wish to make is that the Financial Administration Act does not require disclosure. If parliament wishes to amend the Financial Administration Act with respect to questions of disclosure, that is a separate matter and one which should be dealt with on its own merits, particularly since I think all members would be concerned that disclosure provisions should apply uniformly. That is beyond our scope at the present time in dealing with this bill.

The suggestion is made from time to time that information as to salary ranges should be furnished under the Financial Administration Act with respect to the operations of the Industrial Development Bank or the FBDB in much the same way as information regarding ranges of salaries in the public service is available. But as was pointed out in evidence by the general manager before the committee, the administration of that Crown corporation is not arranged in the same way as it is in the public service, so it is not possible to classify income by salary ranges.

The last speaker was dealing with the practice of the Export Development Corporation in providing information about the aggregate salaries paid to its officers. This information is appended in a note to the financial state-

ment. I find this is a useful practice. I do not quarrel with the hon. member's suggestion in any way. I will simply say that I, for one, as the minister through whom the new bank would report to parliament, would hope and expect that the new board of directors would adopt the practice which the Export Development Corporation has adopted with regard to the disclosure of aggregate salaries. I do not think I would be satisfied with the top five; it might make a lot more sense and be a lot more helpful if it were to include the top ten salaries. I hope this expression of opinion might meet the point raised by hon. members opposite, and if this were considered a reasonable way of dealing with the question we might move on to the next item.

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): May I say, Mr. Speaker, that I personally am not satisfied to accept a simple assurance from the minister that he intends to encourage the new corporation to act in this way. Ministers come and go, but the principle here is one which I feel should extend beyond the term of office of a particular minister. If the minister were willing to give an assurance to the House that the government would make appropriate amendments to the Financial Administration Act, I would be inclined not to support the motion. I am disposed to accept the minister's contention that if the principle involved here is to be asserted, this should be done on a global scale. However, in the absence of an undertaking to enforce this principle generally in law I believe a precedent should be set here. The House is entitled to know what use is to be made of public funds.

The hon. member for York-Simcoe (Mr. Stevens) has suggested this is yet another example of the government setting a double standard in its procedures—one for private corporations and another for public corporations. As a citizen and as a taxpayer I am less concerned about the behaviour of private corporations than I am about the behaviour of public corporations.

If an example of behaviour is to be set, the standard governing the public sector should be the higher one—we should make sure that those in the public sector go the second half mile. There is no secrecy about this information in the United States. Citizens of that country are allowed access to this kind of information if they are interested in it.

I have no compelling passion to learn the salaries of the top five officials in the Business Development Bank. What is of greater interest to me is the principle of openness, the right of the people to know how their money is being spent. The onus is upon the government, upon those who would argue that the policy of openness should not be followed, to defend its actions. I urge hon. members to support the motion proposed by my hon. friend from York-Simcoe.

● (2130)

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I should like to say a few words on motion No. 4. I must say I found it rather difficult to follow the minister's comments on this amendment. I do not know whether he had prepared anything or whether he made up his speech on the spur of the moment but, as I say, I found him difficult to follow. As I understood him he was saying that he would like to see this sort of disclosure even by the top ten officials of the Federal Business Development Bank.

I find some sympathy for the position that the exact amount should be disclosed, since there is no such thing as a range of salaries. I think a good argument can be made for saying that this disclosure might be prejudicial when you are endeavouring to secure top level officials with entrepreneurial experience for this bank, but on balance I think the aggregate of the salaries paid would suffice.

After all, Mr. Speaker, if a firm tries to secure a loan from the Industrial Development Bank, one of the requirements of the IDB is that the aggregate salaries of the top officials must be disclosed by the auditor in the financial statement of the company. Many times they restrict the top limit to a certain figure, and the auditor is required to set it out in the statement.

With regard to the minister's remarks about the Financial Administration Act, if the minister gave us a commitment that he would recommend to his colleagues—he is the only one who can do this, we cannot—that the act be amended to provide for this kind of disclosure, then it would find a good deal of sympathy and support among the members on this side of the House.

We are not in any way trying to make things difficult for this new venture. Obviously we want to see it get the best calibre of person available in the country today. But by the same token we think the minister has a particular responsibility for seeing to it that the operations of the bank are open and above reproach.

In view of other remarks made today about disclosure and conflict of interest, which I will not repeat, I think it is incumbent upon the minister to see that the relevant information is made available in the annual report of the new bank. I do not think it is enough for him to say that he would hope that the directors, in their wisdom, would include this sort of information in the annual report; there must be some section of a statute requiring that this must be done, so that as ministers and directors change, and as government goes on, this reporting process is not lost.

I hope that the minister will respond to these remarks and will clarify what he said earlier, because he did leave a little confusion in my mind, and I think in the minds of many other members of the House as well.

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I was interested to hear the remarks of the minister because I was hoping he would indicate to the House some reasons, based either on principle or on practicality, in his experience as the responsible minister for this bank, why we should not adopt the motion proposed by my colleague from York-Simcoe (Mr. Stevens). It is an amendment that is founded upon the principle of doing public business and spending public money in a way that the public can see; it is founded on the principle of openness.

I was a little surprised by the minister's suggestion that he would prefer disclosure of the salaries of the ten top officials, and as a result of preferring this disclosure by the ten top officials, he would be prepared to vote against disclosure by the top five. That seems to me to involve some rather roundabout logic.

I must also say in passing that if the minister expects members, particularly those of us on this side of the House who are worried about the principle of openness, to accept his word that he personally would encourage his officials to be open in this regard, I think he will have to explain to the House why that instruction was not given during the long sessions of the standing committee, where for roughly three meetings this information was sought but refused Against that background I do not think the minister can expect us simply to accept his undertaking that he will encourage disclosure voluntarily, while at the same time he proposes to vote against the requirement by law of this kind of disclosure.

The minister made reference to the Financial Administration Act, and indicated that he would like to delay the kind of change that is being proposed by the hon. member for York-Simcoe until there has been a general change in the over-all provisions of the Financial Administration Act.

I think all of us tonight are aware of the backlog of legislation that there always is in this House, and surely no realist would assume that anything like short order amendments to the Financial Administration Act would be brought before the House. If the minister is asking us to wait until that act is brought to this House in amended form before making this necessary democratic change, then in effect he is asking us to wait forever, and those of us on this side of the House are not prepared to do this.

Dealing still with the Financial Administration Act, I think it is quite clear that, whatever that act provides, it is no obstacle to our acting here tonight on the amendment to this bill requiring the kind of disclosure proposed in respect of the five senior officials of this particular agency. At the moment there is no such prohibition at all.

The alternative of waiting until there is a general amendment to that act will not achieve the goal set forth in the hon. member's amendment. Either we do it now and guarantee public access to public information about public officials spending public money, or we will not do it at all. It is simply no answer to say that there is some other way, either by making a subsequent amendment or by fulfilling the hope of the minister of doing what the amendment proposes to do. It appears from the silence of the minister that there is no reason in principle why the amendment should not be accepted and the salaries of these particular five officials disclosed. As I say, we cannot wait for amendments to another act to bring this about.

I took a note of what the minister said, and I think he said that he personally believed it would be useful to follow this practice. I come back to the fact that it has not been followed, even under questioning, when it was the expressed wish of the elected members of the House of Commons serving in the recent committee to have this practice followed.

More particularly, I would question the minister on his logic. If he believes that it would be a useful practice to follow, then why does he decline to so enact? Why does he decline to make it a requirement? What is the reason for his refusal to give legal effect to what he says he personally believes would be a good thing to do? What is going on? Why is he not prepared to support this very sensible amendment, which is founded on the principle of public access to public information, and openness on the part of the government?

● (2140)

I have to express a certain skepticism, that I think is common on this side of the House, about the amount of openness we can expect from the government as long as that is simply a matter of government will, and as long as it is something the government can voluntarily do rather than being required to do.

All of us have frequently had occasion to seek information, the provision of which would not violate the security of the country, and would not be telling any basic or damning secret, but would simply provide the public of Canada with information that we have a right to but have been denied.

My colleague points out that this has happened most recently in respect of guidelines concerning ministers and conflict of interest, but it goes back to the LIP program, which is a matter of daily question in this House, to the Opportunities for Youth Program, and back into virtually any field you might wish to raise.

I see the Secretary of State (Mr. Faulkner) perk his head up at the mention of the Opportunities for Youth Program, which was shifted out of his jurisdiction a year ago. I think the government knows that this is the case, and on its past record members have no reason at all to expect that from a simple expression of hope things will be made public. We know very well that the only way public information becomes public is when the law requires it to become public. That is what we are trying to do. That is what the hon. member for York-Simcoe (Mr. Stevens) is trying to do by this eminently sensible and highly progressive amendment.

As one of my colleagues has indicated, this is an amendment very much more in tune with current public demand for openness than is the action of the government which, for some reason or other the minister will not explain, is insisting on secrecy regarding the payment of public funds to officials of this agency.

I think I have made the case I wanted to make, but I would ask the minister or any of his assistants or supporters to tell us if there are reasons that we should not adopt this amendment. If there are reasons, tell us what they are. Until someone speaks up and tells us what these reasons are we, and the people of Canada, must naturally assume that the government's only reason is that it wants to keep this matter secret, and that is not an adequate reason to those of us on this side of the House.

Mr. Deputy Speaker: Is the House ready for the question?

Mr. Stevens: Mr. Speaker, I rise on a point of order. I want to make it abundantly clear that it is the principle in this amendment that we are seeking to establish. If the minister feels that an amendment is necessary in respect of the salaries only for the top five, that is acceptable. If he wishes to have specific salaries set out as opposed to a range of salaries, that too is acceptable.

Mr. Deputy Speaker: Order, please. I think I should point out to the hon. member that he is more or less

repeating part of the speech he has already made. I think we have now come to the point, the minister having already spoken, where the House has to make a decision, unless other hon. members wish to speak. Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 4 in the name of the hon. member for York-Simcoe (Mr. Stevens). Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: This vote stands deferred until Wednesday next after the orders of the day are called, and it will follow the votes on Motions Nos. 1, 3, and 2, also to be taken at that time.

Mr. Reid: Mr. Speaker, I rise on a point of order. There have been some consultations, and perhaps Your Honour might wish to have an order of the House, by consent, that the votes will take place on these motions on Wednesday next after orders of the day are called, it being understood that we will take tomorrow to complete the consideration of the remaining amendments at the report stage.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we have agreed to that already, or I thought we had agreed to it, but I am happy to agree to it again.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. The Chair was aware of an order that has been agreed upon. Unless I did not catch the point raised by the hon. parliamentary secretary, it is my understanding that an order was already made that all these deferred votes will be called after calling of orders of the day next Wednesday, in the following order: Motion No. 1, followed by Motion No. 3, Motion No. 2 and Motion No. 4. Is that agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: I think at this time, before the House continues its consideration of the report stage of Bill C-14, I might put some comments on the record.

Hon. members are aware of the position taken this afternoon by Mr. Speaker in considering a previous motion that appeared on the order paper in the name of the hon. member for Lanark-Renfrew-Carleton (Mr. Dick). That amendment was to the definition clause, and the Speaker's reservations were mainly on two grounds.

I make this point now in order to clarify that in accepting the present amendment proposed by the hon. member I do not in any way intend to go contrary to the previous position taken by Mr. Speaker. Mr. Speaker said he had some reservations about the amendment on two grounds. He suggested first that it was contrary to the basic principle of the bill, and that the interpretation clause should not be used to enlarge on the scope of the bill in the way attempted by this amendment. He added that this was not the basic nature of a definition section, and that this would go far beyond the scope of an interpretation clause, usually being a simple definition clause as opposed to a substantive clause.

On the other hand, having listened to the remarks and the points made by hon. members, and particularly the hon. member for Lanark-Renfrew-Carleton and the hon. member for Peace River (Mr. Baldwin), Mr. Speaker indicated his desire to take into account those representations, and indicated that he did not want to deprive any member of the opportunity of discussing the important point in this proposed amendment, which was defective mainly because it was attached to the interpretation clause.

● (2150)

I feel it would be very difficult for me to question the amendment put before the House at this time by the hon. member for Lanark-Renfrew-Carleton with the knowledge that Mr. Speaker, in his conclusion, said that if the House would give consent to the tabling of an amendment at eight o'clock he felt that might take the House out of the then rather awkward procedural position. Although I do not wish really to invite a debate on the procedural acceptability of the amendment, some hon. members might wish to suggest there is a substantive factor in it. However, on account of everything that was said by Mr. Speaker, I feel I should give consent to the hon. member to present his motion. Therefore I would be willing at this time to put the amendment unless there are strong objections. Is it agreed?

Some hon. Members: Agreed.

Mr. Paul Dick (Lanark-Renfrew-Carleton) moved: That Bill C-14, an Act to incorporate the Federal Business Development Bank, be amended in sub-clause 4(1) by deleting line 42 on page 2, and substituting the following:

"going, provided however that such assistance as authorized shall only be given in the case of a business enterprise which is carried on in Canada by

(*a*) a person who is

(i) a Canadian citizen,

(ii) a landed immigrant within the meaning of the Immigration Act ordinarily resident in Canada other than a landed immigrant who has been eligible to apply for Canadian citizenship for more than one year, or

(iii) a British subject who has not ceased to be ordinarily resident in Canada since the twenty-fifth day of June, 1967, or

(*b*) a corporation incorporated in Canada with or without share capital, a co-operative or partnership, that is not less than fifty-one per cent beneficially owned, directly or indirectly, by a person or persons described in paragraph (*a*);"

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, are copies of this new motion available?

Mr. Dick: Yes. This afternoon, as it had been suggested by Mr. Speaker that I remove the amendment from the interpretation clause and perhaps find another place in

the bill in which it could be inserted I consulted a number of experienced and expert officers and members of parliament. We found that it could be placed in subclause 4. As a result of that there has been a change of wording at the end of subclause 4, and the wording is then included completely as it is recorded here in the notice of motion pursuant to Standing Order 75(5).

The printing office has been good enough to run off 100 or so copies which I have available for distribution to members. I appreciate their co-operation and unanimous consent. I apologize that I have copies only in English, but if members would like to read the French version in the order paper they will find it is substantially the same other than a few words. I presume it will appear in the translated form tomorrow, so that members will be able to read it in both official languages.

I would be prepared to begin my remarks at this time, Mr. Speaker, but I note it is two minutes before ten o'clock. I would probably require 20 minutes or so for my comments. I wonder if I might call it ten o'clock now and begin my comments tomorrow, if this is the wish of the House.

Mr. Deputy Speaker: Does the House agree to call it ten o'clock and allow the hon. member to make his presentation tomorrow when we return to this order of business?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

SOCIAL SECURITY—GOVERNMENT INTENTION WITH REGARD TO ECONOMIC POSITION OF THOSE OVER SIXTY-FIVE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker—pardonnez-moi, Madame le président. Madam Speaker, on Tuesday, November 19, the day after the Minister of Finance (Mr. Turner) presented his budget, I put a question to the Prime Minister (Mr. Trudeau), which is recorded at page 1442 of *Hansard*. My question was as follows:

Mr. Speaker, in the absence of the Minister of National Health and Welfare, may I direct my question to the Prime Minister. Now that the Minister of Finance has taken steps to improve the position of the 40 per cent of Canadians 65 years of age and over who have other income, what steps does the government propose to take to provide a meaningful improvement in the economic position of the 50 to 60 per cent of Canadians over 65 who rely exclusively on old age security and the guaranteed income supplement and who already pay no income tax?

The initial reply of the Prime Minister was to remind me that the reason the Minister of National Health and Welfare (Mr. Lalonde) was not present that day was because he was at a meeting with provincial welfare ministers discussing the whole problem of a policy paper on social security published a year and a half ago.

[Mr. Dick.]

At that point I put to the Prime Minister this supplementary question:

Mr. Speaker, in view of the fact that on more than one occasion the Minister of National Health and Welfare has said that from time to time there have to be adjustments in the basic rate of old age security, may I ask whether consideration is being given to increasing that basic rate during this session?

Then the entry in *Hansard* reads as follows:

MR. TRUDEAU: No, Mr. Speaker.

It is that "No" which prompted me to file this question for an adjournment debate.

● (2200)

I appreciate the fact that the Minister of National Health and Welfare is here tonight to give me his answer, which I hope will be better than the one I received from the Prime Minister. I hope I can say that the Minister of National Health and Welfare and I have a good deal of respect for each other, and each of us appreciates the concern of the other about the position of senior citizens. We agree on a good many things, but there is one point on which we have differed.

I am an unrepentant advocate of universal old age pensions. I believe that there should be a substantial basic rate paid to everyone, and I would like to see us get back to there being no means test on any portion of the old age pension. I think it is fair to say that the Minister of National Health and Welfare accepts the proposition of a basic old age pension on a universal plan up to a certain point, but he says there is a point at which the government has to be selective. By that he means there comes a point when any additional moneys that are available have to be used to increase the pensions of those who have less than others may have.

What annoys me about the position taken by the Minister of Finance in his budget is that this government is practising the principle of selectivity in reverse. What the government has done has been to provide an improvement in the economic position of Canadians, 65 years of age and over, who are already at the top. It has given something to those who already have something more, and nothing to those who have only the old age security and guaranteed income supplement on which to rely.

The percentages that were in my question are based on the fact that about 55 per cent to 60 per cent of Canadians 65 years of age and over receive not only old age security but some or all of the guaranteed income supplement. This means that their income levels are such that they are paying no income tax now. The improvements that the Minister of Finance has made, welcome as they are, apply therefore only to the 40 per cent—not a round figure but it is pretty close—of Canadians 65 years of age and over who have income other than old age security and any portion of the guaranteed income supplement. They will receive benefits from the budget, some this year, more next year if they live through 1975. There are the provisions for the first $1,000 private pension money to be exempt from income tax and for a $1,000 of interest income to be exempt from tax.

There is also the provision whereby, in the case of a married couple if only one is the taxpayer, that one can claim the age exemptions of both, and, as the Minister of

Finance pointed out, there are certain cases where the total exemption could be $8,000. That is fine for couples 65 years of age and over who have $8,000 or more, but no one knows better than the minister that the number of senior citizens who have $8,000 or more income a year is not more than 40 per cent; indeed it is quite a bit below 40 per cent of Canadians 65 and over.

So I put it to my good friend, the Minister of National Health and Welfare, and my fellow worker in the field of trying to do something for senior citizens: is he not ashamed of the fact that his government is practising selectivity in reverse? Does he not think that it is now time to do something for the 55 per cent to 60 per cent of Canadians who get no benefit from the budget? Is it not time to extend still further the principle of universality and provide now not just for the quarterly cost of living escalation of pensions but for a substantial increase in the basic amount of the old age security pension?

Hon. Marc Lalonde (Minister of National Health and Welfare): Madam Speaker, first of all I wish to thank the hon. member for his kind words. I will not elaborate further on my own respect for his views and his abilities because of my fear that after ten o'clock this House might turn into a mutual admiration society.

He has mentioned areas of disagreement in terms of policies in this field, particularly on the question of universality versus selectivity. It is indeed my considered view that while we should retain the element of universality in old age pensions with basic old age pensions, we also must have a supplement which will help those people who really need to be helped. I am supported in this respect by all provincial governments in the practice they have followed, including governments belonging to the party of my hon. friend. Not one single NDP government at the provincial level has increased the basic old age pension, while some of them have not hesitated to increase the supplement. I can understand that rationale very well.

The hon. member also talks about means tests. I wish I could convince him that what we are talking about here is an income test. I think he has been used to the criteria in the previous legislation, but we have moved to an income test and there is a significant difference between them. I suspect we will have an opportunity to discuss that later.

It is true that the last budget helped senior citizens, particularly those over the guaranteed income supplement rate. I must stress, however, that senior citizens with marginal incomes apart from what they could get if they are on a partial guaranteed income supplement, will also benefit from the provisions contained in the budget. This should not be ignored particularly in relation to the $1,000 exemption for senior citizens on private pension plans.

The hon. member argues that we should now add to the basic and guaranteed income supplement. I can only tell him that we have made a lot of progress in the last three years. I have no time tonight to go over that, but I will indicate that we will again have escalation on January 1 which will bring the OAS/GIS benefits to over $200 a month.

After Christmas I hope to introduce a bill that will provide income tested benefits to spouses between ages 60 and 65. So we are making progress, though maybe not as fast as the hon. member would wish. I understand his eagerness; he has been an eager beaver, if I may say so, in this area for many, many years and has been prodding successive governments in this field. I respect his views but I am telling him we are making progress.

HOUSING—REQUEST FOR FUNDS FOR LOW RENTAL HOUSING

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my appearance on the late show debate comes as a result of my question to the Minister of State for Urban Affairs (Mr. Danson) on October 22 regarding limited dividend housing, which is a program extremely vital to my district.

Further to the fact that I have been able to get some answers from the minister and his officials at the supplementary estimates meeting, which I have just left tonight, I want to try and make an impression on the parliamentary secretary as to the vital necessity of considering the part of Canada which I represent in my endeavours to bring to his attention and the attention of the House the potential development of western Newfoundland which with providing infrastructural support would make it a contributing factor towards Canada's benefit rather than to continually have to make requests for financial support towards that part of the Atlantic region.

Having regard for limited dividend housing, the main city in my district, the city of Cornerbrook, with the complete support of funding from the province is providing a regional college to look after some 500 students who will come from all parts of the west coast, and require low cost housing, but also will require accommodation for some 50 to 100 professors and their families. This, naturally, will require housing development, along with many other public services for additional citizens and children.

● (2210)

It is obvious then that the federal government must treat as a priority the need to provide this housing, in co-operation with the provincial government and private entrepreneurs.

This focuses attention on the flexibility of Central Mortgage and Housing Corporation to rise to the task, along with the government of Canada, to provide the funds and to induce contractors to enter this field and fill the need in Newfoundland and the Atlantic region generally. I point out the need to support progress, even though existing limited dividend housing in areas which already exist leave much to be desired. In referring to low cost rental housing it is obvious that the greatest need in Canada is in the field of low rental public housing for those on fixed incomes and for those having to resort to welfare.

Unfortunately, public housing has gone beyond the comprehension of the ability of provincial governments to cope with the cost. May I again use my own province as an example. Under the Newfoundland and Labrador Housing Corporation public housing is gone beyond their financial capability to cope when recent tenders have indicated that the lowest tenders offered were in the area of $45,000 per row house unit. This puts a complete block into the capability of the province and it emphasizes the need for alternative sources of housing.

It has become recognized, Mr. Speaker, if I may deal with this area of concern, that the most economical type of home which can be provided is the mobile type of home, or the prefabricated home and it is my opinion that this is the area that should be explored to try to answer the short term problem of housing.

Newfoundland has not taken advantage of co-operative housing to the extent that would help to alleviate the housing crisis, and this emphasizes the lack of communication to citizens of our country. This holds true of many parts of our country. This also emphasizes the capability of local CMHC offices to be able to serve the public who look for assistance.

Once again may I point out to the parliamentary secretary, who is to answer for the minister, as I have pointed out to officials of the department, that I commend the work done by the CMHC staff in the office in my district; but let me point out that there is an overburden of applications with which they are faced. I ask the minister to consider increasing the staff in order that more Canadians can be served in a humane and considerate manner.

I can tell him that if all agencies of government were as co-operative as the staff of the CMHC office in Corner Brook, which serves an area far beyond the call of duty, I would not be bothering the minister as much as I have done. I can only request that he make use of the advice of members opposite who have no axe to grind and who only want to serve their constituents to the best of their ability. If we all do our duty then we, as a parliament, will be performing our duty in serving the needs of our population.

Mr. Pierre De Bané (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, the federal government is as concerned as the hon. member about increasing the supply of rental housing for low income people. I would like to take this opportunity to remind hon. members that in the past six years a larger number of units were produced than in the previous 22 years.

There has been a decline in rental starts in general and I should perhaps explain that this is attributable to a number of factors, with inflation playing the largest part, because higher interest rates, wage rates, construction costs and rent controls in some provinces have made developers wary of starting new projects. Furthermore, an increasing number of owners have been converting rental accommodation to condominiums.

[*Translation*]

In order to encourage the construction of new housing for average-income families, the minister announced that $50 million would be made available to builders in 10 cities across Canada for the construction of modest housing on which loans would bear interest as low as 8 per cent, provided rents are kept at levels specifically and previously agreed upon.

[*English*]

In other words, there is $50 million exactly for what, the hon. member is asking.

[*Translation*]

Applications for some 2,200 housing units are now being processed, under this program, with the view to approving roughly $50 million's worth of projects distributed here and there across the country, from Victoria to St. John's, Newfoundland. The province of Ontario is in the process of supporting this initiative completely.

Other programs are available for the construction of low-income housing, and the CMHC continues to lend its full support and encourage the provinces through loans and financial assistance to public housing. It also encourages non-profitable groups who supply rental accommodation, as well as non-profitable co-operatives by enabling them to have access to starting out funds, to loans for the full extent of the value of the loans, as well as to financial assistance representing 10 per cent of the value of the housing units.

[*English*]

I wish to assure the hon. member that the bulk of the CMHC programs concentrate on improving the position of people in receipt of low or fixed incomes. As to non-profit groups, not only do we subsidize their rental projects to the extent of 100 per cent but we also make grants available for the formation of such groups.

IMMIGRATION—POSSIBLE INCREASE IN NUMBER OF CHILEAN REFUGEES ADMITTED—GOVERNMENT POSITION

Mr. Douglas Roche (Edmonton-Strathcona): Madam Speaker, as I rise to plead for more Canadian compassion for the many political victims and prisoners in Chile, I wish to put my remarks in the larger context of the violation of human rights sweeping the world.

Only today Amnesty International, a world-wide organization of individuals working to end political terrorism and torture, met with members of Parliament from all parties. We learned of their efforts to end torture—inflicted by governments—in the more than 30 countries where Amnesty International has affirmed the use of torture as a political instrument.

There is a new characteristic in this torture. It is used not only to obtain information but to control dissident elements in dictatorial and repressive regimes.

The World Conference of Religion for Peace, which convened recently in Belgium, has provided the same information as Amnesty International. There have been massacres and tortures in Northern Ireland, the Philippines, the Middle East and Cyprus, as well as Viet Nam and Cambodia. The escalation of violence and the continuing violation of human rights in the world led the World Conference of Religion for Peace to urge governments to construct policies "that will hold inviolate the spirit of man, and guarantee his physical and cultural wellbeing." For peace is incompatible with the violation of basic human rights.

This brings us to Chile, a country with a long democratic tradition suppressed by a four-man military junta whose continued authority lies in force. Chileans by the thousands have tried to escape from their country since the coup in September, 1973 which was followed by waves of persecution—not because they are criminals but because they oppose the draconian authoritarianism of the junta. The repression, imprisonments and tortures have become so bad that the United Nations has passed a

special resolution calling on Chile to respect fundamental freedom.

On October 9, 1974, a group of 24 distinguished Canadians, representing a cross-section of leadership in the churches, labour and education, came to Parliament Hill and presented a brief to the Secretary of State for External Affairs (Mr. MacEachen) and the Minister of Manpower and Immigration (Mr. Andras). This brief claimed that Canadian policy toward Chile has been inadequate to the human emergency, and that Canadian concern for the ideals of the United Nations and for social justice has not been borne out by Canadian government actions.

Specifically, the brief said that Canada had been virtually silent regarding the extinction of democratic institutions in Chile, the systematic reign of terror, the mockery of justice and brutality which has characterized the rule of the junta.

With regard to economic relations the brief charged that Canada had collaborated with multilateral organizations dominated by the United States to extend economic assistance to the junta. Canadian government institutions and Canadian business have co-operated to promote Canadian investment in Chile.

With regard to immigration, the brief charged that Canada has acted reluctantly and slowly in the refugee situation created by the coup. Only 955 Chileans were admitted to Canada in the first six months of 1974, fewer people than were admitted from Ecuador. The 955 compares with 184 for the first six months of 1973, but barely scratches the surface of this new problem. Expressed humanitarian concern by the Canadian government has been contradicted by lengthy processes and excessive security interrogations, the brief claims.

● (2220)

The lengthy brief and 14 recommendations, chief of which was that the government broaden its Chilean refugee program to allow 10,000 persons to enter Canada under the immigration refugee category. This special category would include people in prisons and concentration camps, those who are harassed by authorities, and those who have reached temporary shelter in third countries such as Panama, Peru and Argentina.

On October 22 I asked the Minister of Manpower and Immigration what response he would make to these recommendations. To this date there has been no response. But the Canadian Council of Churches, as one of the participants in the brief, has received a response from the office of the external affairs minister. It is this response that concerns me greatly and is the reason I have taken the floor tonight. For the external affairs department says the situation in Chile is normalizing and, moreover, that our support of the UN resolution demonstrates our concern for human rights in Chile.

But the situation in Chile is not normalizing, Mr. Speaker; it is getting worse. Secret trials in the Chilean navy are taking place, with the death penalty being sought. The Italian and Columbian embassies are being besieged with new refugees. Mexico has just broken relations with Chile. Not content with the 2,500 Chileans who have died violent deaths since the coup, the junta is tightening its grip. The World Council of Churches has just cabled its Canadian office to step up its support of interchurch work in Chile and Argentina, now coping with waves of arrests of ordinary workers and farmers. The World Council now estimates that there are 100,000 Chilean refugees in Argentina, 15,000 of whom are registered, which is a 50 per cent increase in the past few months.

All of this should be of great concern to the Canadian government which could provide more help than just support of a UN resolution. If we are not going to reappraise our economic relations with Chile so that we get out of the invidious position of supporting repression, could we not at least open our doors a bit wider? The Chilean government has offered to release political prisoners who have a country to go to. Surely our response can be a bit better than the assurance of the immigration minister that Canada's special immigration office in Santiago will remain open. The brief presented to the government goes much deeper into the problem and requires a better response than the minister's bland assurance that applications from refugees will be processed.

I have met some of the Chileans who have fled to Canada. They are professional, and middle class and labour people whose only crime was that they wanted to be free. Certainly, strict security measures must be enforced—and they are. In one group of 12,165 Chilean applicants, only 45 were rejected for security reasons, but very few of the others were admitted to Canada.

We should rid our minds of the idea that the Chilean refugees are communists or Marxists. Just because the slain Salvadore Allende headed a Marxist regime, it does not make all Chileans ideological communists. As the Rev. John Zimmerman, executive secretary of the Lutheran Council of Canada, noted when he came to Parliament Hill with the delegation, these people would, if they lived in Canada, be ordinary members of labour groups. They are certainly no more dangerous to Canadian life than the Hungarians, Czechs and Ugandans that Canada took in during their time of ordeal.

Canada has a well-deserved reputation for compassion. We have an economically and socially strong society to back up that reputation. Today another group of oppressed people, the Chileans, look to us for help.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am pleased to answer the hon. member on behalf of the Minister of Manpower and Immigration (Mr. Andras), who could not be here tonight. First of all may I say that Canada's effort was among the most active of any of the countries which established processing facilities in Chile to admit refugees for permanent resettlement, as is evidenced by the large number of persons authorized to come to Canada. Our effort in this case has been based on humanitarian considerations.

With particular reference to the brief referred to by the hon. member, presented a short while ago by the Canadian Council of Churches and other organizations to the Minister of Manpower and Immigration, their recommendations are being reviewed and a reply will be sent to them shortly.

However, I should like to put on the record the fact that, following the coup in Chile last September, the Department of Manpower and Immigration immediately estab-

lished a full processing capacity in Santiago. Because of this special effort it was possible to process applications in an expeditious manner and to meet deadlines as they arose. Although normal immigration, medical and background checks are, of course, continued even in movements of this kind, the norms of assessment were relaxed as they have been in other such similar situations. In addition, special concessions were made by allowing some people to come forward before their examinations were completed rather than risk the possible consequences of further delay.

Departmental officers worked in close co-operation with representatives of the United Nations High Commissioner for Refugees, as well as other interested groups in making known the Canadian government's willingness to accept refugees, and our officials visited persons in camps in various countries to conduct interviews. During January, 1974, an armed forced aircraft on a training flight was diverted to Santiago when commercial services proved inadequate to move people quickly enough to safety, and 170 persons arrived on the flight.

To date, Mr. Speaker, applications have been received from about 4,000 Chileans who come within the United Nations definition of "refugee". Of these, more than 1,500 have been authorized to enter Canada, and more than 850 have already arrived as immigrants. About 750 have withdrawn their applications, and slightly more than 550 have been refused because of adverse background or character reports, or because they could not meet even the relaxed selection criteria used to assess the likelihood that they could successfully settle in Canada—for example, total illiteracy. About 1,150 are still in process.

The full range of services normally extended to refugees, such as transportation assistance, language training, employment counselling and placement, and, in emergency situations, financial aid, is available to these people.

One question that has been asked from time to time is that, if over 2,700 persons from Chile have been authorized to enter Canada since September, 1973, why have only 1,250 done so? There is of course more than one answer to this question, but such things as acceptance by another preferred country or a change of heart would probably account for most of these cases.

The Acting Speaker (Mrs. Morin): A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at eleven o'clock.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Friday, November 29, 1974

The House met at 11 a.m.

● (1110)

PRIVILEGE

MR. WOOLLIAMS—TIME ALLOCATION FOR STUDY OF ESTIMATES IN COMMITTEE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I rise on a question of privilege affecting the rights of all parliamentarians. I served written notice of it on Mr. Speaker this morning.

Before I go into my question of privilege, I think that as the first speaker in the House today I would like to congratulate Mr. and Mrs. Jerome on the arrival of the new nine-pound baby girl who will be the new Speaker in the future.

Some hon. Members: Hear, hear.

Mr. Baldwin: Probably a loudspeaker before then.

Mr. Woolliams: My question of privilege arises from the procedure now being followed in the Standing Committee on Miscellaneous Estimates. In a few moments I will submit that we have been denied our rights to carry out our proper function as members of the opposition which is to prod the government into action when that is necessary, to criticize the government constructively, and to offer positive suggestions.

The rules as set out assign a ten minute period to each member to question a particular minister in reference to the estimates of his department. Last night members were questioning the Minister of State for Urban Affairs (Mr. Danson) on the estimates of his department. Each member has an equal time of only ten minutes. Before the rules were changed removing the estimates from the House, the committee of the whole used to consider estimates. Then, they were transferred under the new rules to the standing committee. When the committee of the whole used to consider estimates, if we did not get the answers, we told the minister in no uncertain terms that unless we got answers to our questions, the estimates would not be approved.

Under the new rules, members are allotted two hours to consider the estimates of each department. If each member is allotted 10 minutes, it means also that the official spokesmen of the opposition parties are allowed 10 minutes each and the time can be taken up by the majority made up of government members so that the opposition members are never able to prod the government into action or to seek information. Therefore, the whole committee system becomes a farce.

Some hon. Members: Hear, hear.

Mr. Woolliams: When we considered estimates in committee of the whole House, spokesmen for the official opposition had equal time with government members and were thus able to prod the government into action or to question ministers. Speaking of the functions of the official opposition and other opposition members, a former prime minister and former leader of the opposition, the late Lester B. Pearson once quoted another parliamentarian who said:

> If parliament is to be preserved as a living institution, His Majesty's loyal opposition must fearlessly perform its functions. When it properly discharges them the preservation of our freedom is assured. The reading of history proves that freedom always dies when criticism ends. It upholds and maintains the rights of minorities against majorities. It must be vigilant against oppression and unjust invasions by the cabinet of the rights of the people. It should supervise all expenditures and prevent over-expenditure by exposing to the light of public opinion wasteful expenditures or worse. It finds fault; it suggests amendments; it asks questions and elicits information; it arouses, educates and molds public opinion by voice and vote. It must scrutinize every action by the government and in doing so prevents the short-cuts through democratic procedure that governments like to make.

In the Speech from the Throne the Prime Minister (Mr. Trudeau) said there would be reform. If this is the reform, the result is that parliament cannot control government expenditure.

What is the main function of parliament, Mr. Speaker? Is it to control expenditures? If we lose control of the purse strings any government can ride slipshod over parliament and the people of Canada. This system is a sham. I do not know who made the rule that each member of parliament has ten minutes to speak but that is how it works in practice. One member from the opposition gets his ten minutes, then it is the turn of a majority of members from the government who have a love-in with the government—naturally they have a love-in—and it is in their interest to maintain the government.

How can we prod the government into action? How can we elicit information if we are only given ten minutes to study and consider millions of dollars worth of estimates, $1,750 million worth. Mr. Speaker, the committee system is a farce under this government.

Mr. Speaker, I consider this matter affects the right of members of parliament to do their duty and accept responsibility for Canadians. Last night I was denied the right, as were other members of the opposition, to elicit information from the Secretary of State. We asked one question and he was very courteous and made a beautiful speech but gave us no information. It was a sham and a waste of time.

If Your Honour finds that I have made a prima facie case for the rights of members of parliament, I am prepared to make a motion to refer what happened last night to the Standing Committee on Privileges and Elections. I have a motion prepared.

Mr. John M. Reid (Parliamentary Secretary to President of Privy Council): Mr. Speaker, from the remarks of the hon. member, I think it is quite clear that what he is complaining about is the rules which the Standing Committee on Miscellaneous Estimates have adopted to control their own procedure.

Mr. Woolliams: Huh!

Mr. Reid: It is my understanding that those rules were adopted in the previous parliament. They were adopted at a time when the government did not have a majority on that committee and they were adopted by all members of that committee.

Some hon. Members: Hear, hear!

Mr. Baldwin: They are not binding on this parliament.

Mr. Reid: The second point that should be made is that the use of the time available to a party in the House of Commons or its committee is a decision to be taken by that political party. If the political party of my hon. friend does not see fit to give him the opportunity to speak at a given time and prefers to put forward other people, that is the privilege of that party. The decision rests not with the House of Commons but with his own colleagues.

Some hon. Members: Hear, hear!

Mr. James A. McGrath (St. John's East): Mr. Speaker, notwithstanding what the rules are, I submit to Your Honour and the House that it was never the intention to have the Miscellaneous Estimates Committee consider, within the narrow time frame prescribed by the rules, estimates to the extent of $1,750 million. I submit it was never intended, when the new rules were brought in, that the time which parliament had for considering the important business of supply should be so narrowed down. I submit what we are talking about is the management of House business. The other important standing committees of the House are not working at present and the government House leader could have broken down these estimates and referred them to the various standing committees of the House. This would have given all members a better opportunity to discharge their important responsibilities in examining estimates of the House and to conduct in a sensible way the business of supply.

● (1120)

We are not saying that the rules have been infringed; we are saying the rules have been abused. The business of the House has been mismanaged, as shown by the fact that the miscellaneous estimates committee was given the responsibility of considering, within a narrow time frame, estimates to the extent of $1,750 million. That sort of thing was never intended when the rules were changed.

Hon. Mitchell Sharp (President of Privy Council): Mr. Speaker, I join with my hon. friends opposite in expressing dissatisfaction with the present rules of the House. I hope they will join with us in making them more suitable, both for the government and for the opposition. I quite agree that one of the main functions of parliament is that of approving supply. That is how the opposition can examine the government and demand answers and I, myself, am dissatisfied with present procedures. I hope that the suggested amendment, and many others of equal importance, will receive the careful consideration of the committee.

Mr. McKinley: And I hope we are given better answers.

Mr. Deputy Speaker: Order, please. If there are no further comments, the Chair must decide whether there is a prima facie case of privilege. I might say that the hon. member for Calgary North (Mr. Woolliams) gave the Chair notice of his intention to raise this important question. I feel that the work of the committees is important, especially when it concerns examination of estimates, which is the fundamental business of parliament. I understand the concern of the hon. member for Calgary North and of others who have contributed to this short procedural debate. On the other hand, I must make up my mind and base my decision on the rules of the House. That is what makes my task difficult. The hon. member said that if I should find that he has a prima facie case, that there is a legitimate question of privilege, he will be prepared to move a motion. I do not think I can allow him to do so at this time.

I must refer the hon. member to our Standing Orders, in accordance with which the Chair must rule. The hon. member may have a grievance in connection with the operations of the committee, but that does not prevent the Chair from abiding by the Standing Orders which govern the operations of the House. Standing Order 65(11) reads:

> The chairman of a standing or special committee shall maintain order in the committees; deciding all questions of order subject to an appeal to the committee; but disorder in a committee can only be censured by the House, on receiving a report thereof.

May I also refer the hon. member to citation 324 of Beauchesne's Fourth Edition, found at page 251. It reads:

> (1) Until the report and evidence have been laid upon the Table, it is irregular to refer to them in debate, or to put questions in reference to the proceedings of the committee.
>
> (2) When the evidence is before the House it may be debated at length, but members will not be permitted to discuss the conduct or language of members of the committee, except so far as it appears on the record.

That is to say, the hon. member may have a valid grievance, but the Standing Order prevents my considering his grievance at this time. I call it a grievance, and not even a question of privilege in connection with which the Chair must find a prima facie case in order to allow the hon. member to move his motion.

I refer the hon. member to previous rulings. One was made on Wednesday of this past week, when the hon. member for York-Simcoe (Mr. Stevens) raised a similar, alleged question of privilege concerning the operations of the committee. I would also refer the hon. member to another case. On December 4, 1973, when the hon. member for St. John's East (Mr. McGrath) raised a question of privilege with regard to the operations of the Standing Committee on Miscellaneous Estimates, alleging that the chairman of that committee prevented him from raising points of order in the committee. The decision of the Speaker in both cases was very clear, that it is a well established practice that committee proceedings cannot be brought into the consideration of the House of Commons, except by way of a report from a committee.

At the same time, I am sure hon. members appreciate the intervention today and last Wednesday by the President of the Privy Council (Mr. Sharp) when he more or less indicated the goodwill of the government to improve the proceedings and rules followed in committee operations. Having said that, I must with regret reject the question of privilege of the hon. member.

Mr. Woolliams: Mr. Speaker, there is a small point arising out of the comments of the parliamentary secretary to the House leader. At no time did I approve the 10 minute rule and at no time did I approve moving all the estimates out of the House.

Mr. Deputy Speaker: Order, please.

Mr. Woolliams: I want that on the record.

Mr. Deputy Speaker: Order, please. The hon. member is now entering into debate. This is not the time to do that.

ROUTINE PROCEEDINGS

[*English*]

THE LATE RIGHT HON. SIR WINSTON CHURCHILL

TRIBUTE ON ONE HUNDREDTH ANNIVERSARY OF BIRTHDAY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I rise to propose a motion under Standing Order 43 on a matter which most nearly touches the heart and spirit of this House, a matter which we share with parliamentary institutions everywhere in the free world. Tomorrow, November 30, is the one hundredth anniversary of the birth of the Right Hon. Sir Winston Churchill.

There are times in the life of every institution, as in the life of every man, when the spirit flags and almost fails. Then, that institution is fortunate if there comes a man, who can by the indomitable vigor of his own heart and spirit breathe new life into that institution and give it a new hope.

At such a time in the life of these Houses of Parliament came Sir Winston Churchill to speak in this chamber on December 30, 1941 to the members of this House and of the Senate. He was introduced by the then Prime Minister, the late Right Hon. Mackenzie King, who told this House and all Canada that "in the gravest crisis in the history of the world Canada was honoured by the presence in her halls of Parliament of the man who, by his clear vision, undaunted courage, inspired utterance, and heroic spirit has given such incomparable leadership to the hosts of freedom." Then, this chamber heard that retort to the contemptuous threat that "in three weeks, England will have her neck wrung like a chicken", that retort which from the walls of this chamber echoed round the world, "Some chicken; some neck".

It was a battle cry from a House of Commons man, delivered in this House of Commons, which gave new heart, new spirit and new hope to the institutions of parliamentary democracy throughout the free world and

to the forces of freedom fighting in the dark of the underground behind the Iron Curtain. In these days of a less heroic and less dramatic crisis, let us take heart from the remembrance of that occasion. I move, seconded by the hon. member for Témiscamingue (Mr. Caouette):

That this House pays tribute to the memory of a House of Commons man, the Right Hon. Sir Winston Churchill, on the occasion of the one hundredth anniversary of his birth and requests Mr. Speaker to convey the text of this resolution to his widow, the Lady Clementine Churchill.

Mr. Deputy Speaker: Order, please. Hon. members have heard the motion proposed under the terms of Standing Order 43. This motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Motion agreed to.

● (1130)

Mr. Deputy Speaker: This motion should have been made on motions, so the House will revert to the presentation of reports from standing and special committees.

* * *

CONFLICT OF INTEREST

MOTION TO REFER SUBJECT MATTER TO COMMITTEE

On the order: Government Notices of Motions.

November 27, 1974—The President of the Privy Council:

That the green paper entitled "Members of Parliament and Conflict of Interest" tabled on November 27, 1974, be referred to the Standing Committee on Justice and Legal Affairs; and

That, after the committee has concluded its deliberations and submitted its report on the aforementioned matter, it be authorized to consider and make recommendations upon the subject matter of ministers and conflict of interest and public servants and conflict of interest.

Mr. Deputy Speaker: Pursuant to section (2) of Standing Order 21, this notice of motion is transferred to, and ordered for, consideration under Government Orders at the next sitting of the House.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

SUGGESTED CESSATION OF CONFRONTATION OF PROVINCES ON OIL REVENUES AND INTRODUCTION OF PROGRAM TO DEAL WITH RECESSION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Prime Minister. In light of the fact that information released by Statistics Canada today shows that for the third quarter in a row there has been no economic growth, thus indicating that this country is indeed officially, as in fact, in a recession, information that was obviously in the possession of the Prime Minister last Wednesday when he made his great statement that "Canadians have contributed to the impressive perform-

ance of the national economy and I should like to draw particular attention to the singularly effective contribution of my colleague the Minister of Finance"—a statement which, in light of the facts of today, is in singularly questionable taste—will the Prime Minister at this time cease this senseless confrontation with the provinces, which is obviously a diversion, and try to come to the bargaining table; and would he instruct the Minister of Finance to put before the country some program of anti-recession?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have no confrontation, and are seeking no confrontation, with the provinces. We may have a confrontation with the opposition because of its lack of ability to take any position. We hope that if there is such a confrontation with the opposition it will force the Conservative party in particular to line up with Canada or to line up against it.

Mr. Baldwin: Mr. Speaker, the Prime Minister, as usual, has evaded the main question which was asked. Is he able or does he want to answer the question I asked? Is the Prime Minister going to stop this confrontation, and in particular is he going to instruct the Minister of Finance to bring in a suitable program of anti-recession which this country so badly needs?

Mr. Trudeau: Mr. Speaker, it seems to me that the hon. member wants to continue the budget debate. Certainly, there is puzzlement in my mind as to why he wants to ask the Minister of Finance to change a budgetary policy which we think is good for the country and will continue to be good for the country. I repeat I am puzzled why the hon. member wants to reopen the budget debate at this time. He had ample opportunity to make his points during the six days of that debate.

As far as growth is concerned, the hon. member should realize that on a year over year basis the real growth in the GNP has been 3.2 per cent.

ALLEGATION GROWTH OF IMPORTS EXCEEDS EXPORTS—GOVERNMENT MEASURES TO ACHIEVE BALANCE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. In view of the fact that the decline in the GNP for the last quarter is due largely to deterioration in our trade balance, with the growth of imports exceeding that of exports, may I ask the minister whose responsibility this is, what steps he has taken to improve this balance?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, Canada is running a favourable merchandise trade surplus. I expect that by the end of the year it will be higher than it is at the present time.

[Mr. Baldwin.]

STATISTICS CANADA

SUGGESTION INSTRUCTIONS ISSUED TO WITHHOLD ISSUANCE OF REPORT ON GROSS NATIONAL PRODUCT

Mr. James A. McGrath (St. John's East): A further supplementary question, Mr. Speaker. May I ask the minister who is responsible and reports to the House for Statistics Canada whether he issued any instructions to Statistics Canada to withhold release of information on the GNP which was due to be released on Wednesday in order that the Prime Minister might be able to make the speech that he made in the House last Wednesday. Was there interference with the release of this information?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): That is an outrageous suggestion, Mr. Speaker.

Mr. McGrath: Mr. Speaker, on a point of order, the minister says that is an outrageous suggestion. I should like to quote from a Canadian Press despatch to the effect that Statistics Canada had originally reported that the third quarter GNP figures were due for release on Wednesday but that they were withheld because the Prime Minister was due to speak on that day. I ask the minister whether he can assure this House that there was in fact no interference with the release of this information by Statistics Canada.

Mr. Deputy Speaker: Order. On the point of order, the hon. member will admit that the point he is raising has nothing to do with the workings and functioning of this House. The Chair can only go by the rules and make decisions on the functioning of the House.

* * *

ENERGY

URANIUM—ALLEGATION ONE AND A HALF MILLION POUNDS OF CONCENTRATE UNACCOUNTED FOR

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct my question to the Prime Minister. According to the report of the Auditor General, it appears that 1½ million pounds of uranium concentrate has been unaccounted for. In view of the stringent export safeguards on uranium, may I ask the Prime Minister how it is possible for the Atomic Energy Control Board to have handled this matter in such a slipshod and haphazard manner?

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am advised by department officials that certain sales contracts of uranium concentrates to which Uranium Canada was party were sent to a United States plant for conversion to uranium hexafloride before going on to the ultimate purchaser. The board of directors of Uranium Canada decided to make an on the spot inspection of these inventories. The inspection was carried out on September 23 and 24 of this year by representatives of Uranium Canada, the Department of Energy, Mines and Resources and at the invitation of the Uranium Canada, officials from the Auditor General's department. These representa-

tives carried out their inspection and were satisfied with the results of that inspection.

URANIUM—SHIPMENTS TO SPAIN—ASSURANCE OF PROPER SAFEGUARDS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker, which I will direct to the Prime Minister. In view of the interest that I know he has in this matter and the widespread concern of the Canadian people regarding the precarious international situation and the danger of exporting uranium that could be used for warlike purposes, and since this shipment to which the Auditor General refers was only part of the shipment of 5.6 million pounds of uranium which was stockpiled and committed to Spain, may I ask the right hon. gentleman whether we are shipping uranium to Spain?

● (1140)

If that is so, does the Canadian government have any agreement with Spain to ensure that this uranium will not be used for other than peaceful purposes, and particularly to ensure that none of the by-products such as plutonium will be trans-shipped to another country, especially in the Middle East where there is such a dangerous situation today?

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I will take notice of this question and bring it to the attention of the minister so that he may respond to the hon. member.

POSSIBLE ESTABLISHMENT OF ENRICHED URANIUM PLANT IN QUEBEC—GOVERNMENT POSITION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, perhaps the Prime Minister will give us some assurance that these safeguards are being used effectively. We have been told about the safeguards but so far we have not seen the new regulations. Let me ask the Prime Minister something he might be willing to answer. Have any representatives of his government, the government of the province of Quebec and a French company been carrying on discussions with regard to the establishment in Canada of a uranium enrichment plant and if so, at what stage are these discussions at the present time?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member is correct in saying that the government is very concerned with the problems in respect of exporting fissionable materials. We do apply our safeguards with utmost care. I am sure that applies in the case of exports to Spain but, as the parliamentary secretary has said, I will check further into the matter to see if there is any particular aspect of it which should be made known to the House.

In so far as the more particular question about enriched uranium in Quebec is concerned, I replied the other day in this House that the subject had been raised between the French authorities and myself at the time of our visit, and it had been followed up by a visit to France by the Canadian part of the team that was going to look into the whole problem of energy as it interests France and Canada. I also talked to the premier of Quebec. I am repeating what I said the other day, Mr. Speaker, but perhaps the hon. member did not hear this. In so far as we are concerned, we are not negotiating any such agreement with France. The only stage we have reached is one of explaining our policies which are, as I have just explained, with regard to safeguards and other matters.

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[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

MEASURES TO ACHIEVE NATIONAL UNITY

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

Has he received any indications that some agitators, like the hon. member for Saint-Hyacinthe, who preaches separatism in the province of Alberta, will finally understand the importance of national unity and the future of Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, to my mind, I believe that, fundamentally, the leader of the Social Credit will find that I agree fully with him on the basic question, but as for the hon. member for Saint-Hyacinthe, I gave up any hope in his future a long time ago.

Mr. Caouette (Témiscamingue): Mr. Speaker, I have a supplementary.

Following his speech the day before yesterday, has the Prime Minister spoken to the Alberta premier, and if so, is there any hope for better understanding than that we have witnessed in the last few days?

Mr. Trudeau: No, Mr. Speaker, I have not spoken to the Alberta premier. It may be that he has become acquainted with certain elements of my speech. But I must add that he wrote to me earlier in the week. I intend to answer his letter, naturally, and in that reply I shall repeat some of the arguments I put to the House.

* * *

[*English*]

HOUSING

REDUCTION IN HOUSING STARTS—GOVERNMENT MEASURES TO STIMULATE CONSTRUCTION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in light of the fact that the report by Statistics Canada for the third quarter shows a gross national product growth of zero, and that the weakness stemmed from the housing component which was down 4.9 per cent in current dollars and 10.6 per cent in real terms, with housing starts down 15 per cent, and with a decline in housing starts in the third quarter of 22.9 per cent—

Some hon. Members: Question.

Mr. Woolliams: Mr. Speaker, I would put this question to the minister of state responsible for housing along the lines of one I put to the minister last night, and I might say that I am not dealing with AHOP, I am dealing with that large segment which provides loans for the financing of most homes in Canada. Has the government any plans to solve the housing crisis in light of these figures which are applicable not only to the major cities but throughout Canada? Perhaps I should also mention that there is a vacancy rate in Canada of only 2 per cent in rental accommodation, combined with the fact that housing starts are down, and a prediction by the Conference Board of Canada that housing starts may be as low as 175,000. What real plans has the government got?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, certainly we have a number of plans, not excluding AHOP, which will alleviate the housing problem so that it does not become a crisis in this country.

Mr. Woolliams: It is already a crisis.

Mr. Danson: These plans include one of the most successful programs in the history of this government in housing, AHOP. More specifically, we are addressing ourselves to the most serious aspect of the housing shortage in this country which is rental accommodation for the coming year, with the limited dividend rental housing and the expanded limited dividend rental housing which I referred to in my address in the House on the budget on Monday, which I would commend to the hon. member for reading.

I might say that this shows real progress in the housing field generally, as well as in other fields, including rural and native housing, rehabilitation of houses, senior citizen housing, non-profit housing, co-operative housing and a long list of programs which I am sure I could not cover in a short time during question period but which I would be delighted to review with the hon. member if he has two or three hours he would like to spend for that purpose.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please.

SUGGESTION PRIVATE LENDING INSTITUTIONS MAKE MORTGAGE MONEY AVAILABLE AT LOW INTEREST RATES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I want to thank the minister in that I have really found out now what his program is; it is a program of words but no action.

Some hon. Members: Oh, oh!

Mr. Woolliams: Mr. Speaker, I should now like to—

An hon. Member: Question.

Mr. Woolliams: Hold on, my good friend, and you will get the question. I should like to know whether the minister would consider getting together with the Minister of Finance and the two of them suggesting that the lending institutions in this country put a large portion, or some portion at least, of their lending capital into housing at a reasonable rate of interest, perhaps 8 per cent instead of the 11¼ per cent we have heard about in relation to AHOP, so builders can increase the supply of houses for the 70 per cent of Canadians who cannot afford to purchase homes at the present time?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, that great number of words relates to over a billion dollars worth of Canadian housing. If the hon. member had been listening to my answers in the committee last night and my speech last Monday, he would know that the effective interest rates under AHOP are down to 8 per cent and well below that in the case of special needs; down to 6 per cent and even 4 per cent in some cases, depending on the family size and the location. In addition to that, I hope to be introducing to the House my new housing programs, alluded to on Monday, within the next two weeks.

Mr. Woolliams: Those are the peanut programs.

Mr. Danson: These will deal with the interest rates in so far as the private sector is concerned, directing a large amount of mortgage money from the private sector at a minimum cost to the taxpayer.

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CONFLICT OF INTEREST

MRS. JANE DOBELL—SUGGESTED CONFLICT BY REASON OF EMPLOYMENT IN PUBLIC SERVICE AND MEMBER OF OTTAWA SCHOOL BOARD

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in light of the fact that Mrs. Jane Dobell is running for re-election to the Ottawa school board, which is heavily subsidized by the federal government, and as Mrs. Dobell has now been appointed by the Secretary of State as director general of the language training program, does the Prime Minister not consider this to involve a conflict of interest?

● (1150)

Right Hon. P. E. Trudeau (Prime Minister): I had no knowledge of these facts, Mr. Speaker, but I will look into them. I must say, however, at first glance, that I cannot see the conflict of interest that the hon. member seems to see.

Mr. McKenzie: Since the federal government gives considerable funds to the Ottawa School Board for language training and as Mrs. Dobell will be director of the language training program, this would be a conflict. She is running for the School Board—

Mr. Deputy Speaker: The hon. member is arguing his case, not asking a question.

Mr. Trudeau: If I understand the question correctly, there might be something there to be decided by the people who have the right to cast a vote or by the people in the School Board. However, I hope the hon. member is not

suggesting that we should cease to make these grants for French language training.

An hon. Member: That's nonsense.

Mr. Trudeau: Why would we have the conflict?

Mr. Baldwin: There are so few areas where you do not have conflicts.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Prime Minister.

Some hon. Members: The hon. member is not wearing a tie.

Mr. Deputy Speaker: Order. Hon. members are drawing my attention to the fact that the hon. member is not properly dressed according to the customs of the House. Unless he adheres to that custom, I cannot recognize him. I would therefore ask him to retire temporarily and return wearing a tie, otherwise I will not be able to recognize him.

Mr. La Salle: On a point of order, Mr. Speaker. I have understood the Chair, but I would like to point out that I am wearing a much wider tie than any other member in the House.

Some hon. Members: Go and dress up!

Mr. Deputy Speaker: The hon. member cannot ask the Chair to alter the customs of the House. We usually ask male members to wear a tie. It is practically part of our institution. I think it would be easy for the hon. member to get a tie at his office and come back. I will then be prepared to recognize him immediately.

Mr. La Salle: Mr. Speaker, I should like to put a question—

Mr. Deputy Speaker: Order. The Chair does not intend to discuss the matter nor to recognize the member as long as he does not comply with my decision. I therefore recognize the hon. member—

[*English*]

Order, please. The hon. member for South Shore.

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CANADIAN COMMERCIAL CORPORATION

SUGGESTION BY AUDITOR GENERAL CORPORATION IMPROPERLY RETAINING PUBLIC FUNDS—GOVERNMENT ACTION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I had a question for the Minister of Supply and Services, but in his absence I will direct it to the President of the Treasury Board. Considering that the Auditor General has maintained in three successive reports that the Canadian Commercial Corporation has been improperly retaining public funds, does the minister plan to give any direction at all to officials to remedy this serious flaw in public administration?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I am still reading the report. As soon as I am aware of its content, I shall see what I can do to comply with the terms the Auditor General is demanding about management within the government, and I shall see what recommendations, if any, I may have to make.

[*English*]

Mr. Crouse: In view of the fact that nothing has been done about this improper procedure for three years, would the minister tell the House whether it is the policy of the government to ignore the recommendations of the Auditor General, and does the minister believe that the Canadian Commercial Corporation should retain funds which should have been properly credited to the Consolidated Revenue Fund?

[*Translation*]

Mr. Chrétien: Mr. Speaker, we intend to comply as much as possible with the Auditor General's recommendations. I do not know about this case, I am studying it, and I shall report to the committee under the chairmanship of the hon. member as soon as I can come to a decision.

* * *

[*English*]

INDUSTRY

STEEL—REASON FOR RESTRICTIVE TERMS OF REFERENCE FOR JUDGE ESTEY'S INQUIRY INTO PRICES AND PROFITS

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the fact that the terms of reference for Judge Estey in the steel profits inquiry limited him in question No. 1 to examine only price increases after May 15, 1974, and therefore the judge did not examine 12 price increases from January to May, can the minister explain why the terms of reference were so restrictive?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): On the contrary, I think that the terms of reference are broad. There were three particular questions to which Judge Estey addressed himself, and he set out his reasons in some considerable depth.

Mr. Symes: The minister seems to be confusing specific price increases with general profit increases. In view of the fact that even though Judge Estey could not examine the problem of price leadership and comparative profit margins on individual products, he has concluded that the steel companies are at such a high level of profit taking that further price increases not related to cost would be profiteering, will the minister now initiate a full and ongoing inquiry into steel pricing?

Mr. Gillespie: Quite clearly, the report of Judge Estey dealt with a very wide review of the pricing practices of the industry over a very long period of time and thus has covered the situation. I would recommend it as reading

matter to members who are interested in pursuing this question.

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EXTERNAL AFFAIRS

SUGGESTED DISCONTINUANCE OF AID PROGRAMS TO UNDERDEVELOPED COUNTRIES WHOSE OIL RESERVES HAVE INCREASED—GOVERNMENT POSITION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I should like to direct my question to the Secretary of State for External Affairs, but in his absence may I direct it to the President of the Privy Council who is the acting minister. In view of the fact that the oil exporting nations of Nigeria, Indonesia and Algeria are receiving more than $84 million under Canadian foreign aid programs and have been experiencing large increases in revenues for oil exports for more than a year now, will the minister explain to the House why the fact was recognized only recently and why an investigation had not begun several months earlier?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, on the contrary, when the present oil situation developed and prices went up, and when supplies of oil were found in some of the underdeveloped countries of the world, this question was examined very carefully in the CIDA administration, and the decisions that were made were made with the full knowledge of the facts and for reasons that I am quite sure my colleague or the president of CIDA would be happy to explain at a suitable time.

Mr. Hnatyshyn: In view of the fact that this particular review to which the minister refers in his answer is under way, will he inform the House whether or not aid has been temporarily suspended pending the investigation's outcome and, if not, why not?

Mr. Sharp: I would not attempt to answer that question in detail, but I would like to make this general comment, that there were certain programs under way that were very useful in the development of those countries which, while they have new revenues and oil which they did not have before, are still by our standards or by standards prevailing in the world very much underdeveloped. I am quite sure that Canadians would wish to continue these programs that are already under way. Moreover, one of the purposes of the programs that are under way is to bring these countries to a position of being no longer dependent upon aid. Then, we will have fulfilled our purpose.

* * *

● (1200)

AGRICULTURE

PURPOSE OF COMMITMENT OF FIFTY MILLION DOLLARS, EMERGENCY FOOD RELIEF OR DEVELOPMENT ASSISTANCE

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, in the absence of the Secretary of State for External Affairs may I direct a question to the Minister of Agriculture relating to the world food conference where the Secretary of State for External Affairs indicated the reallocation of $50 million for development assistance and subsequently, in reply to a question in the House on emergency food relief indicated that it was $50 million available for emergency food relief, could the Minister of Agriculture tell the House whether there are two amounts of $50 million, one for emergency food relief and the other for development assistance, or is it one single $50 million sum for reallocation to CIDA?

[Mr. Gillespie.]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I would suggest that the hon. member put that question to the minister in charge of the fund, the Secretary of State for External Affairs.

Mr. Jarvis: A supplementary question to the same minister. In light of the minister's statement in, I believe, Belleville earlier this week to the effect that we are helping people in developing countries learn how to feed themselves and that is the reason behind the additional $50 million grant Canada is giving, may I ask if the $50 million the minister referred to in Belleville is the same $50 million to which the Secretary of State for External Affairs alluded in Rome? If so, is it the minister's position that the entire $50 million should go to assist developing countries in their food production or is it his position that part of it should go to emergency food relief?

Mr. Whelan: Mr. Speaker, the hon. member is referring to notes I used for a speech at Belleville. If he was not there to hear it in total I am sure I can give him the tape and he can listen to it.

An hon. Member: We get enough of that.

Mr. Whelan: He knows what the $50 million fund is. I am sure the Secretary of State for External Affairs could be more specific, but this is being redirected to helping people feed themselves. I am sure the hon. member is also aware that we have been doing this to a greater extent on a bilateral basis than many other nations of the world and we will continue to do it. The government is searching for more funds to provide relief in a better fashion than we have in the past.

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CONFLICT OF INTEREST

POSSIBLE AUDIT OF STATEMENT OF HOLDINGS OF CABINET MINISTERS—ASSURANCE OF NO CONFLICT THROUGH MEMBERS OF FAMILY

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is directed to the Prime Minister and relates to the subject of conflict of interest and the guidelines currently in force. May I ask the right hon. gentleman whether an audit has been conducted on the statements made by cabinet ministers with respect to their holdings, to ensure that their statements are accurate and complete?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not quite sure what type of audit the hon. member has in mind. Certainly, it would be fair to say

that the whole basis of the conflict of interest guidelines that we have proposed, not only for ministers but for members of parliament and civil servants, is based on the honour system rather than on the audit system. I certainly think this is the proper procedure and I repeat what I said earlier: If the House of Commons wants to take a different approach to this and depart from the honour system toward an investigative system, obviously as members of parliament and ministers we will have to adopt that system. This is not the government's inclination but if it is the Tory inclination, I hope they will say so and act in consequence.

Mr. Beatty: Mr. Speaker, a supplementary question. Although under the conflict of interest guidelines there is no explicit provision for the need to deal with the potential conflict of spouses and other members of a family, has the Prime Minister privately assured himself that no member of cabinet has an interim conflict of interest through a member of his family?

Mr. Trudeau: Mr. Speaker, the position we take on spouses and members of the family is the one that I enunciated in this House and outside the House on several occasions.

An hon. Member: No position.

Mr. Trudeau: It is a position that the evolving standards in Canada are such that we could expect that a spouse will have a right to an independent career and activities.

An hon. Member: Nonsense!

Mr. Trudeau: This position is not universally shared and certainly it is not the position of the Tory Party. Probably that is why they elected so few women members.

Some hon. Members: Hear, hear!

An hon. Member: We have quality, not quantity.

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PUBLIC SERVICE

STRIKE OF GRAIN INSPECTORS—REQUEST FOR PROGRESS REPORT ON NEGOTIATIONS

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, my question is for the President of the Treasury Board regarding a very critical situation. I know the matter of the grain inspectors' strike has been brought up before but the only action we see is the wringing of hands by officials of the minister's department. If the strike is not soon settled there will be no wheat in eastern Canada to make flour of grain for feeding livestock. Can the minister give the House an up to date report on this matter?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, Mr. Tom O'Connor was appointed yesterday to act as mediator in this conflict. He conferred with the parties all day yesterday; he is meeting with them again today, and I hope he will make progress. This is the only report I can make to the House at this time. I am quite concerned too about this situation, but we must recognize that the workers involved have the right to strike, a right which was given to them by the Parliament of Canada.

[*English*]

Mr. McKinley: Mr. Speaker, we do not argue with the right of these people to strike, but we would like to impress upon the minister the seriousness of the situation and request that he ask his negotiator to proceed in all haste and earnestness.

Mr. Deputy Speaker: Order, please. Even supplementaries have to be questions and not statements. The hon. member for Yorkton-Melville.

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AGRICULTURE

UNITED STATES IMPORT QUOTAS ON BEEF AND PORK—MEETINGS WITH UNITED STATES OFFICIALS—GOVERNMENT ACTION TO AID PRODUCERS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Agriculture. Can the minister provide the House with further information regarding the meeting on Wednesday between Canadian and United States officials regarding the beef situation? Can the minister say whether he is prepared to meet with the United States Secretary of Agriculture Earl Butz and, if so, what specific proposals will he take to that meeting?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, our officials did meet with the United States officials to discuss our quota programs and the programs they have. Until the discussions are finalized there is not much more I can say. Discussions are continuing.

Mr. Nystrom: A supplementary, Mr. Speaker. In view of the fact that the outcome of this situation may take some time to emerge, can the minister tell the House what specific proposals he had in mind to help beef and particularly hog producers who find themselves in a very difficult situation?

Mr. Whelan: Mr. Speaker, as I said yesterday, we are trying to work out programs to make sure that this industry does not suffer unduly but such plans have not been finalized. We do not foresee any great difficulty for the pork industry in Canada, however. I might say that we have found a home through foreign aid for some of the beef and we are still exploring other foreign aid programs and sale programs in other countries for beef.

EGGS—GOVERNMENT ACTION TO DEAL WITH ANTICIPATED SURPLUS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the same minister. In view of the 90 million egg surplus anticipated by the Canadian egg marketing agency for the coming year, may I ask the minister if he is taking steps to ensure that some of that surplus production goes into foreign aid and not into inadequate storage to be allowed to rot again?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think anyone who has anything to do with food production does not like to see it rot and will do their darndest to make sure that does not happen. I can say this about egg production, however, I am optimistic. According to inquiries not only for foreign aid but for foreign trade we will be in a better position than we have been for many months.

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ROYAL CANADIAN MOUNTED POLICE

ALLEGED SMUGGLING OF NARCOTICS INTO HAMILTON BY PLANE—REQUEST FOR REPORT

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is directed to the Solicitor General and arises out of published reports that a DC-3 aircraft piloted by a veteran Vietnam pilot accustomed to dodging radar has been making clandestine pre-dawn flights into Hamilton civil airport as part of a sophisticated narcotics smuggling racket. Is the minister in a position to advise the House whether the RCMP is aware of this situation and what action, if any, is planned?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I have had no report on that particular situation. I will get some information and report to the House.

* * *

HOUSING

GOVERNMENT MEASURES TO INCREASE AVAILABILITY—SUGGESTED REDUCTION OF MORTGAGE INTEREST RATES

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, my question is for the Minister of State for Urban Affairs. In view of the fact it now appears that the government's efforts to improve the housing situation in Canada are doomed to failure because of persistently high mortgage interest rates and accelerating property costs, and because recent surveys have indicated that as many as 70 per cent of Canadian families cannot afford to purchase homes despite the fact that 23 per cent of these families have incomes of $15,000 or more, will the minister inform the House of the measures he intends to take to rectify this situation and to ensure that all Canadians are properly housed?

● (1210)

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I certainly do not acknowledge that our efforts are doomed to failure. I enumerated certain measures in committee last night, when the hon. member was present, and I mentioned some of them to the hon. member for Calgary North. There are a number of programs in this area, including the continuation of the Assisted Home Ownership Program, and the Limited Dividend Rental Program. The extension of these programs will bring more private sector money into mortgages and investments. Then, one must remember the budgetary measures, which include the writing off of capital cost allowances against other income, to allow more investment by those in the private sector in multiple rental dwellings, the savings features in the budget, which will enable people to buy more homes, the senior citizens housing program, which has high priority, rural and native housing, co-operative housing programs, which are moving along reasonably well, non-profit housing and land assembly programs, sewage programs, servicing programs—

[Mr. McGrath.]

Mr. Deputy Speaker: Order, please.

Mr. Darling: A supplementary question, Mr. Speaker. Will the minister consider the implementation of a special program which will either lower or subsidize interest rates for builders in the conventional mortgage market, in an effort to spur housing construction and accelerate supply to a level which will induce lower mortgage interest rates for Canadians in general.

Mr. Danson: Mr. Speaker, a good many programs are directed to that end and concentrate on low income groups and high cost areas. I think the hon. member might be interested—because one cannot do everything at once—in a little piece of paper I carry in my wallet. It has figures on it which all of us should bear in mind when we think of housing. It says that 800,000 households in Canada spend more than 25 per cent of their gross income on shelter—that disturbs me—almost 440,000 households spend 35 per cent of their income on shelter and 107,000 tenant families had incomes under $3,000 and paid over 50 per cent of their income for housing. That bothers me, and these are the people I want to look after first.

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VETERANS AFFAIRS

PROPOSED INCREASE IN PENSIONS OF HONG KONG VETERANS—GOVERNMENT POSITION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct my question to the Minister of Veterans Affairs. As the government House leader, when answering my question yesterday, described as bad news the fact that the Minister of Veterans Affairs was studying a proposal made by the Standing Committee on Veterans Affairs for an increase in the pensions of Hong Kong veterans, can the minister say if this means that he has rejected the proposal made unanimously by that committee, or whether it is still under favourable consideration.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, the matter is under consideration. I have been looking at this question. It all takes time. My department is considering this matter, and if something is decided at a later date I will be glad to inform the House.

EXTERNAL AFFAIRS

BANGLADESH—GOVERNMENT ACTION TO ENSURE FOOD REACHES THOSE IN NEED

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, my question is for the Secretary of State for External Affairs. In his absence, may I address it to the acting minister. In view of reports that a big proportion of Canadian wheat sent to feed the starving people of Bangladesh is being smuggled for high profits across the border to India or stolen by black marketeers, will the minister describe the precautions which are being taken to ensure that Canadian food aid reaches those in Bangladesh who most need it.

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, I will have to take that question as notice. I know that my colleague in the administration is doing everything possible to see that the wheat is delivered to those most in need. I am sure that the hon. member will agree, however, that one must always work through the authorities in other countries. That is the kind of courtesy for which we would ask and it is one that we accord to those whom we are trying to help.

Mr. Patterson: A supplementary question, Mr. Speaker. Apparently the Red Cross insists on accompanying all shipments of aid to their destination, to ensure proper delivery. Will the government consider taking similar precautions in order that Canadian aid made available through government sources shall reach those for whom it is destined.

Mr. Sharp: Mr. Speaker, the answer must be that this can only be done with the agreement of the country concerned.

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TRANSPORT

COMPENSATION TO RAILWAYS FOR LOSSES SUFFERED AS RESULT OF FREIGHT RATE FREEZE—SUGGESTED SIMILAR ACTION FOR TRUCKERS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a question for the Minister of Transport. It has to do with the railway freight rate freeze and the fact that the current estimates provide for a payment of $118 million to the railway companies to make up for losses they suffered as a result of the freeze, in addition to the $41 million provided for in the previous supplementary estimates. Is the Minister of Transport considering the provision of similar benefits to the trucking industry, as that industry, too, has been affected by the railway freight freeze, and faced by escalating costs of operation.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have received no complaints from the trucking industry. The agreement alluded to was made by the railways, through letters sent to me. I do not know if the truckers have increased their rates, but I do not see why I should offer anything to the truckers who have not asked for anything.

Mr. Mazankowski: A supplementary question, Mr. Speaker. The minister's answer was amusing, because it shows either that he does not know what is going on within his department or that he has suffered from a lapse of memory. If he checks he will find that as far back as February, 1973 and December, 1973 ongoing discussions were taking place on the subject. Is the minister not going to treat the trucking industry in the same way he is treating the railway industry?

Mr. Marchand (Langelier): Mr. Speaker, one reason for lifting the rate freeze was that such action would place the trucking industry in a position to compete with the railways.

Mr. Mazankowski: A further supplementary question, Mr. Speaker. Will the minister not respond to the request made by trucking companies to him, personally, and to members of his department?

Mr. Deputy Speaker: Order, please. The hon. member for Humber-St. George's-St. Barbe.

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FISHERIES

REQUEST FOR REPORT ON METHODS OF PREVENTING VIOLATIONS OF ICNAF AGREEMENT ON QUOTAS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, the question period must be nearly over. My question is for the Minister of State responsible for fisheries. About ten days ago he said that if I would wait a couple of days he would inform me of the results of the ICNAF conference, and particularly of the decision on quotas. Will he now say if any decision has been reached on methods to prevent violations of the ICNAF agreement? I have in mind what happened last year, when the Soviet fishing fleet overfished herring off the Grand Banks.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, the hon. member's efforts to be recognized were recognized on my side, too. I had hoped to convey my information to him earlier. The quotas—I think he is interested particularly in the herring quotas pertaining to the Georges Bank—were discussed recently at ICNAF meetings in Miami. It was agreed that the quotas in 1975 should remain unchanged from those agreed to in 1974. However, for other stocks, some extension of prohibited areas and the extension of the time when fishing may not take place were agreed to. Consultations with fishermen of the area who fish off southwest Nova Scotia convinced us that we will avoid some discarding of haddock, as we had to do under the regulations, and to diminish this waste of food, which we do not want to tolerate in any way.

As to the other point, the regulations will come up for consideration at the next meeting in Bergen, Norway, and also at the Edinburgh meeting in June. We are not satisfied that all regulations are properly observed and we will be making more representations in this area.

Mr. Marshall: A supplementary question, Mr. Speaker. On the basis of the agreement reached by all nations, will the minister say what action the Canadian government will take, in addition to boarding foreign vessels, inspecting their catch and determining by what extent they have exceeded quotas, in cases when foreign vessels have taken more than their quota and have over-fished.

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, under present ICNAF regulations, any country which violates the regulations can be called to task at the ICNAF meeting itself. At the moment there is no other recourse. We hope, eventually, that management zones off our own coast, under the Law of the Sea will give us much more clout.

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● (1220)

REGIONAL ECONOMIC EXPANSION

PROPOSAL TO PUT MORE OFFICERS IN THE FIELD OFFICES—GOVERNMENT ACTION

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. At the Western Economic Opportunities Conference some 18 months ago, the minister unveiled what was known as the 70/30 plan by which 70 per cent of the officers of his staff would be located in the field and 30 per cent in Ottawa, the reverse of the present proportion. What steps have been taken to effect that policy and how far has it progressed?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I am very happy to advise the hon. member and the House that the policy has, in fact been almost totally implemented, We have turned it around from 70 per cent in Ottawa to close to 70 per cent in the field. I do not have the precise percentage at the moment. At this time I want to pay tribute to the members of the public service in my department for their co-operative approach to this effort. All regional and provincial officers are co-operating. I am getting good reports back from the field that they are being effective.

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HOUSING

PROVISION OF FUNDS FOR SOCIAL HOUSING ASSOCIATION OF CAPE BRETON—GOVERNMENT ACTION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. May I ask the honourable and congenial gentleman to advise the House what progress is being made by the Social Housing Association of Cape Breton and CMHC with regard to provision of ongoing administrative and developmental funds.

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I do not have the immediate up-to-date information on that. I will get it and report to the hon. member.

[Mr. LeBlanc (Westmorland-Kent).]

Mr. Muir: Is the minister aware that the frustration tolerance level of the association is rapidly approaching the exploding point and if a positive decision cannot be reached by December 10, the association will have no other alternative that to go out of existence?

Mr. Danson: Mr. Speaker, I did not realize the degree of the temperature in the area. As the hon. member knows, we have just allocated $2 million for rental accommodation in Sydney which will help the situation. That, of course, is just the first measure. Others will come. However, I will look into the situation. I appreciate the hon. member bringing this to my attention.

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TRADE

IMPORT PERMITS FOR BEEF FROM UNITED STATES—REQUEST FOR INVESTIGATION INTO ALLEGATIONS OF TRADING IN PERMITS

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is to the Minister of Industry, Trade and Commerce. Because of rumours circulating in western Canada, will the minister immediately investigate whether there are trade-offs of import permits for beef from the United States taking place between importers?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, this is the first I have heard of any such suggestion. I will be pleased to look into it and inform the hon. member.

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PUBLIC SERVICE

REGIONAL PAY DIFFERENTIALS—SUGGESTED REFERENCE OF SUBJECT MATTER TO COMMITTEE

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I wish to congratulate you for trying to look after all members in the House today.

Some hon. Members: Hear, hear!

Mr. Coates: My question is for the President of the Treasury Board. In view of the continuing and growing concern relating to regional pay rates that work in conflict with the government's objectives of eliminating regional economic disparity wherever it exists in the nation, coupled with the fact there should be equal pay for equal work, will the minister consider referring the subject matter to either an appropriate standing committee of the House or a special committee to determine if a more equitable policy can be established?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I suggest that hon. members have many opportunities to discuss this problem, when I must appear before various committees of the House. Moreover, at this time, a special joint committee of the House of Commons and the Senate is looking into the Finkelman report. I

suggest that interventions could be made to this committee.

[*English*]

Mr. Coates: In view of the especially devastating effect regional pay rates have on building up rather than eliminating regional economic disparity in the Atlantic provinces, will the minister again consider whether this could be submitted to a special committee of members of parliament so that they might determine whether we can secure greater equity for people who live in that part of Canada?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I am not sure we should refer that matter to a special committee. I just said that there are several forums where it can be discussed. Moreover, it is a problem whose solution the government is negotiating with the unions representing the various groups of federal public servants. Certainly, public servants themselves are facing problems, for as it happens the cost of living is much higher in some area of Canada than in others, and the national rates have disastrous effects on some employees. You will recall the situation when the Vancouver airport firefighters insisted on getting parity with the City of Vancouver's firefighters. That could not be given to them because the union wanted to maintain a national rate.

* * *

[*English*]

HOUSING

SUGGESTED INCREASE IN FIVE HUNDRED DOLLAR GRANT IN HIGHER PRICED AREAS—GOVERNMENT ACTION TO PUT PURCHASERS OF HOMES IN ONTARIO IN MORE EQUITABLE POSITION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. Average incomes in Ontario are only slightly higher than the national average, about 5 per cent. Home prices in certain areas are substantially higher than the national average, up to 30 per cent higher, certainly in many parts of Ontario. Is the minister considering giving additional assistance to would-be home buyers in high home cost areas by, for example, increasing the $500 grant for home buyers subjected to above average house costs? To be equitable, if $500 is fair with respect to a house purchase in Montreal where homes average $35,000 in price, should not the grant be $800 in Toronto where homes average $55,000?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, it is difficult to achieve equity. I think the other side of the coin is that we want to give encouragement to those people who live in other parts of the country where home prices are not as high. This might be an additional incentive to them. The hon. member will realize the reduction of the sales tax on building materials to 5 per cent is an extra bonus, if you wish to call it that, or decrease in penalty for living in a high cost area because these people receive greater benefit from that.

Mr. Stevens: In view of the fact the average price of houses has risen dramatically, for example 61 per cent in the last two years in Ontario, a figure well above the national average compared, for example, with 26 per cent in Quebec, does the minister have any new measures that he intends to institute in order to ensure that people living in Ontario, where they now need one third more income than if they lived in Quebec, will be put in a similar position with regard to home purchases?

Mr. Danson: Yes, Mr. Speaker, that is precisely the effect of the expanded program under assisted home ownership and also limited dividend. It takes into consideration assistance at the much higher price level in the Toronto region of $44,915. I am also working with the provincial ministry on co-operative programs which give special impetus in that area of high cost.

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HEALTH

ACUPUNCTURE—POSSIBLE CONSIDERATION OF FEDERAL-PROVINCIAL CONFERENCE FOR INCLUSION IN MEDICARE

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. It is related to the growing interest in acupuncture. Has the minister received representation from the provinces, either from professional or other organizations, regarding the present role of acupuncture? In order to avoid asking a supplementary question, perhaps the minister might also indicate if this matter is considered to be a high priority in terms of future federal-provincial conferences. Will he give some indication whether it will be a top priority in future federal-provincial conferences on health.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the question of acupuncture has been raised by myself and my colleagues at previous federal-provincial conferences. Indeed, the government has taken the lead in attempting to clarify the position of acupuncture as a potentially useful health service in the Canadian context. We have sponsored missions to China and likewise visits by Chinese acupuncturists to Canada. Acupuncture, like any other personal health service, comes under provincial, rather than federal law.

At the last federal-provincial meeting of ministers of health, we issued a statement in this regard setting out quite clearly that, in our opinion, acupuncture should only be provided on the advice of a qualified physician and, for the time being, it should not be considered as a shared medical act under the Medical Care Act. Thirdly, while there was some evidence that acupuncture could be useful for the relief of pain, our opinion at the present time is that it should not be used for other purposes.

● (1230)

SPORTS

MONTREAL OLYMPICS, 1976—REASON FOR DELAY IN TRANSFERRING FUNDS FROM SALE OF COINS TO OLYMPICS CORPORATION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in the absence of the Postmaster General, who I hope is in Toronto trying to salvage the mail destroyed by fire and water, I will direct my question to the President of the Treasury Board who is also partially responsible for the Olympics bill. According to the first report of the finance minister for the Olympics coin program, no payment had been made to the Olympics corporation, even though funds were available. In the second report we find that only during the month of October, 1974 was agreement reached between the federal government and the Olympics Corporation on the transfer of these funds.

Would the minister advise the House what problems exist between the government and the corporation to cause such a lengthy delay; and because these Olympics funds were raised as the result of a federal program, as outlined in the Olympics 1976 act, would the minister advise this House what safeguards have been designed for the proper management of these funds, as there are no public tenders—

Mr. Deputy Speaker: Order. The hon. member should put a question, not make a speech.

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I cannot give a detailed answer to the first part of the question because the arrangements have been made directly between the Minister of Finance and COJO authorities. However, I shall report to the hon. member when I get a precise answer. As regards the second part of the question, it has been clearly established that the federal government would not participate in the deficit of the Olympic Games and that the management of those games is under the responsibility of the City of Montreal, of COJO and of the government of Quebec. As we did not want to assume responsibility for the deficit, we cannot dictate administrative procedures.

[*English*]

Mr. Deputy Speaker: Order. We have gone very much beyond the time allotted to the question period. I think we should now go to orders of the day.

GOVERNMENT ORDERS

[*English*]

FEDERAL BUSINESS DEVELOPMENT BANK ACT

MEASURE TO ESTABLISH CORPORATION

The House resumed, from Thursday, November 28, consideration of Bill C-14, to incorporate the Federal Business Development Bank, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs; and motion No. 1 (Mr. Dick).

[Mr. Lalonde.]

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, yesterday we managed to deal with the procedural question, and since motion No. 1 now appears on page 6 of the order paper under government order No. 14 we can now deal with the substance of the amendment. By amending clause 4(1) of the bill the definitions clause is in no way changed from its original conception. The Federal Business Development Bank is really an expansion of the Industrial Development Bank, not simply a retreaded version. The IDB can now lend up to $950 million. The proposed Federal Business Development Bank will be able to lend up to $2.2 billion, so hon. members can see the new bank as proposed will be almost twice as large.

This amendment proposes to restrict the new bank in a very minor way, though nevertheless it is a restriction. The new bank would be restricted to lending money or giving guarantees only to Canadian citizens, landed immigrants of a certain category—and the definition I have used for landed immigrants is taken from clause 9(2)(c) in the "directors" section of the bill—and the third category is British subjects who have been resident here since June 25, 1967, which is the cut-off date of the special status of British subjects pursuant to other legislation. In other words, the intention of the amendment is to restrict the lending of money by the bank to people who are Canadian citizens or will obviously become Canadian citizens.

Some people may consider this, as it is in fact, an amendment endorsing the principle of Canadian economic nationalism, which I suggest is something that we in this country must face up to. It is not an amendment penalizing foreign firms, but one that will try to bring under Canadian ownership the future economic expansion of this country. At the same time, we are trying to reserve the funds of this one bank for the advancement of Canadian ownership. Chartered banks can lend money to foreigners, and other bodies such as DREE, the ODC in the province of Ontario, PAIT under the Department of Industry, Trade and Commerce, and other government programs can be used by foreigners or foreign-owned firms as well as by Canadians. However, in the case of small business, which employs over 50 per cent of the Canadian work force and pays 50 per cent of the taxes in this country, we are reserving for their encouragement—which is the very aim of the Federal Business Development Bank as it was of the Industrial Development Bank—a pool of funds.

As I have said, I am not trying to penalize or prejudice foreign ownership. We know that Canada needs more investment. I am much happier when people from outside the country want to establish industry here and bring in their own funds. That is foreign investment in its most meaningful form. But in the case under discussion we want investment on the part of Canadians, instead of lending foreigners money to help buy us out. The Federal Business Development Bank will be owned by the Government of Canada; it is a public service that is paid for by taxes raised in this country, so surely a bank that is set up by the people of Canada should look to the development of Canada by Canadians. I think this would be a wise use of our funds and this is what the amendment is proposing.

I should like to point out one fact of which we should all be aware. In the spring of 1974, Gallup conducted a poll asking the following question: "Would you favour or oppose legislation which would significantly restrict and control further foreign investment in Canada?" That question goes much further than what is suggested in this amendment, but in reply to the question the national consensus was that 69 per cent of Canadians were in favour of such legislation whereas only 18 per cent were opposed.

Every region of Canada favoured such restrictive legislation. In the Atlantic region, 69 per cent favoured such restrictive legislation and 20 per cent were opposed to it. In Quebec, 59 per cent were in favour of restrictive legislation and 21 per cent were against. In Ontario, 72 per cent were in favour of such restrictive legislation and 17 per cent were against. On the prairies, 71 per cent were in favour, as opposed to 19 per cent against. In British Columbia—this was the highest figure—it was 77 per cent in favour of such restrictive legislation, with 16 per cent opposed. It is obvious that the Canadian people are saying something not only as a result of this poll but because of many other things: they want more Canadian ownership.

● (1240)

This amendment is designed to promote and encourage more Canadian ownership by reserving this large pool of funds for Canadian small businesses to expand. It has been suggested that the amendment is not really that important. I do not hesitate in saying that I am not going as far in this amendment as the poll would indicate people want restrictive legislation to go, but this is only one small measure or funding mechanism that we have in this country.

It was suggested in committee that only 1 per cent or 2 per cent of present IDB funds go to enterprises which are foreign owned. This is the evidence from the mouth of the general manager, Mr. Clark, who said he thought it was less than 1 per cent. However, he indicated that there had been a study which indicated it was, at most, 2 per cent; but when I asked for more information about this study it became evident that the figure was really a guesstimate rather than firm evidence. The information was that they reviewed the applications for a period of three or four months during the year 1972, or at least that is what he thought. Surely that is not a very valid statistic.

He believes it was the year 1972 and that is all that is indicated in the minutes. He thought it was for a period of three or four months but perhaps the applications reviewed were for the four-month period following, rather than during, that period. We do not know for sure. This is just not a very believable statistic. If that estimate is reasonably accurate, I hope the government will endorse this amendment because, obviously, we are not going to make great waves in the capital market.

According to the evidence given before the committee, the bank does not even keep statistics as to whether loans are made to enterprises that are foreign owned. The only review the bank has had is the one in respect of the four-month period. I think we must ask ourselves why such a small percentage is involved. We had evidence by the general manager of the Industrial Development Bank to the effect that there is an internal bank directive to managers, instructing them not to lend funds to foreigners for the purpose of buying out or taking over Canadian-owned enterprises. That being the case, why do we not make this the law?

Mr. Gillespie: We did, and it is called the Foreign Investment Review Act.

Mr. Dick: We will get to that in a few moments. What concerns me is that the bank has a directive which can be changed tomorrow making it possible for the bank to make 25 per cent, 35 per cent or 40 per cent of its loans to foreign-owned enterprises. Even the hon. member for Scarborough East (Mr. O'Connell)—now back in the House after the election this year—inquired quite forcefully whether the general manager would put out a second directive to ensure that the bank would not lend to foreign-owned enterprises, allowing them to expand into unrelated fields. While this is not in the minutes, because the general manager of the bank did not make any verbal commitment, I remember that he smiled and nodded his head in an affirmative way, indicating that he understood the question and was sympathetic to it. Perhaps he will introduce such a directive. Even if he does, it means that the bank is making law by directive rather than this House making it the law of the land.

When this matter was referred to in the committee, the minister said that such provision would be restrictive and would perhaps hurt some small or depressed areas where a foreign enterprise might like to establish with the assistance of an IDB loan or an FBDB loan. I suggest that we are being restrictive if we go along with the general manager and his directive, at least to the extent of 1 per cent or 2 per cent. The chances are, with business being as flexible as it is, these enterprises could borrow money through DREE, PAIT or GAAP, or perhaps the Ontario Development Corporation, the British Columbia Development Corporation or even through some other mechanism. If the enterprise was a good one, I am sure it could find Canadian entrepreneurs who would be willing to participate in a joint venture in order to meet the 51 per cent ownership requirement of this amendment. It is restrictive, but I do not think it will lessen Canadian development in any meaningful way.

The minister said that for a number of technical reasons he thought the amendment was not good. I asked him to tell us what the technical reasons were and the only one he gave was that he thought the amendment would not include co-operatives. To overcome that objection I redrafted the amendment to include co-operatives. I appreciate the fact that the minister pointed out that objection, but if he had more he should have indicated them to the committee at the time we were examining the question. If he was not frank and open at that time, I suggest it is a little late to come up with more objections now. I tried to draft the amendment to incorporate his view. The minister indicated that the Foreign Investment Review Act would really do the same thing as this amendment. He said that act was now the law of the land and provided an adequate mechanism.

I am thankful it is the law of the land, but it represents a very small step in the direction of Canadian economic

ownership, nationalism or whatever you want to call it. In any event, I think we should have more than one scheme or method to assist us in achieving this goal. Surely that would not be wrong. The fact of reserving this one pool of capital for Canadians and landed immigrants is, I think, a positive act. Rather than saying that we are restricting foreigners, I am adopting a positive point of view. Also, the experience so far with the Foreign Investment Review Act is not that foreigners have been restricted in any outlandish way—in fact, they have been encouraged—but rather than use a Canadian-owned bank to buy us out, I would much rather bring them into Canada.

● (1250)

The Foreign Investment Review Act is geared mainly in that direction. It does not give protection to the Canadian-owned bank which is owned by the taxpayers, with funds coming from the taxpayers of this country, as the minister says, by way of contributions for which we ask each year. I think we in this country should be trying, not to buy back ownership that we have already given away, but to buy the future. Let us look forward. My amendment is directed toward encouraging Canadians to own new ventures and expand them in the next 10, 20 or 30 years. If we, as Canadians, have control of the expansion of new ventures in this country 30 years from now we will own our economy, rather than finding ourselves in the present situation where the oil and gas industry is 95 per cent foreign-owned, where the resource industry is over 80 per cent foreign-owned and the manufacturing industry is over 60 per cent foreign-owned.

I do not hesitate to say that this amendment contains some Canadian economic nationalism, and I am proud of that. I would like to see that principle enshrined in more of our laws in the future. I think a great many members of this party and other members of the House believe in that principle; but rather than just paying lip service to it, let us do something about it. When it comes to election time, all political parties say that it is a great thing to do; let us wave the flag more; let us have Canadian economic nationalism and Canadian ownership—but nothing is done.

The Foreign Investment Review Act was a step in the right direction. I believe that this is a complementary step dealing with a federally-owned bank. It is a step toward Canadian economic nationalism. I believe it is progressive, and it is a privilege to have been allowed to move this motion. I sincerely hope that the government will support this amendment rather than staying bound to the old, Liberal continental view of C. D. Howe and his successors.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I listened very carefully to the hon. member who proposed this amendment. As he mentioned, we discussed essentially this amendment in the committee and at that time I put on the record, in considerable detail, my opposition to it and the reasons for it. I will not repeat all those reasons now, but let me just make a few general remarks.

First, I would like to make it quite clear that we on this side of the House are very interested in assisting small, Canadian-controlled industries to grow and we are interested in assisting the Canadian aspect of the small,

Canadian-controlled corporation to flourish. For that reason this government introduced some years ago—not many years ago, but a few years ago—a special taxation measure which provided significant advantage for the small, Canadian-controlled corporation. It consists of exactly one-half the corporate tax rate that a small, foreign-controlled company in Canada would have to pay. I suggest that that is of significant advantage to the Canadian-controlled firm and, further, that it is the kind of measure most likely to assist in the growth of Canadian, as distinct from foreign-controlled, small business in Canada. However, that is not the only measure: the record of the committee's proceedings contain an indication of other measures that we have taken to assist small business in Canada.

One can sympathise with the objective of the hon. member, but it is important to point out that he has gone about it the wrong way. He talks about two kinds of situation; first, the situation where the funds of the bank would be used to facilitate the takeover of a Canadian firm by a foreign interest. He mentioned in his remarks that the Foreign Investment Review Act has been put in place by the government. Indeed it has, and for that very reason there is no longer need for the kind of measure which established the former Industrial Development Bank as a matter of policy. Parliament decided it was important that a significant benefit to Canada should be assured in the case of a takeover. Parliament never decided that there should be no takeover or no foreign investment. Indeed, I think it has been made quite clear by the hon. member himself that Canada continues to welcome foreign investment—but on our terms; that is, when it is of significant benefit to Canada.

There is very good reason for this. Canada is a large country with many differing economic interests in different regions. It would seem to me that the hon. member would deny the opportunity to some regions of the country which may be underdeveloped in relation to other parts of benefiting from foreign investment, if we were to adopt the principle that the hon. member wants to put into the Federal Business Development Bank Act.

The second situation with which he dealt concerned assistance to a foreign-controlled firm already operating in Canada. Here, again, it would seem to me that his amendment would deny to a perfectly legitimate Canadian business enterprise—that is to say, chartered in Canada, paying Canadian taxes, employing Canadians and purchasing Canadian materials; and all who worked for it, as well as the community which depended upon it—the advantages of the Federal Business Development Bank which will be set up to assist small businesses in Canada. This advantage would be denied a firm which got into difficulties and could not raise funds from the regular banking system on reasonable terms and conditions.

I think that this amendment is far too blunt. The hon. member's objectives may be perfectly legitimate, and I can identify with a number of them, but the way he would go about it would be entirely counterproductive. For that reason I recommend the rejection of the amendment.

The Acting Speaker (Mr. Penner): Order, please. It being one o'clock, I do now leave the chair until 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Sinclair Stevens (York-Simcoe): Madam Speaker, I intend to speak to motion No. 1, and hope the House will support it because I believe it deals with an important question of principle. The Industrial Development Bank functioned effectively as a direct subsidiary of the Bank of Canada. I note that in the 12-month period ending November 27, 1974, the assets of the Industrial Development Bank rose to $952.7 million, the increase being $247.4 million, in the 12 month reviewed in the Bank of Canada weekly statistics publication.

I mention this because when we consider motion No. 1 we must also bear in mind that the Industrial Development Bank plays a much more important role in the financing of small businesses in this country than it used to. I think this is good. We must remember that the Federal Business Development Bank, which is really a reconstituted Industrial Development Bank, will come under the direction of the Department of Industry, Trade and Commerce. The majority of the directors of the new bank will come from the private sector. If we contemplate increasing the money supply of the new bank from $1 billion to $2.2 billion, we should also consider the manner in which the newly constituted bank will expand its operations.

● (1410)

In committee Mr. Clark, the general manager of IDB, made it clear that he anticipated the new bank would increase its lending by about $250 million per annum. That is the extent to which small businesses in Canada will be helped. I mention that for this reason: most of us acknowledge that foreign ownership in this country has grown more than it should. I believe that the foreign investment review legislation was good so far as it went. It was a first, hesitant step. For example, it did not cover small businesses with assets of less than $.25 million or sales of less than $3 million. We must make sure that money made available to the proposed Federal Business Development Bank will not be diverted to support foreign-owned businesses in this country, as such businesses will be unrestricted in their efforts to take over small businesses with assets under $.25 million and sales under $3 million per annum. That is to say, small businesses will be subject to takeover without any limitation or screening on the part of the government.

The Federal Business Development Bank will be empowered to lend foreign-owned companies money with which to buy up Canadian businesses. If such foreign-owned companies are already doing business in this country, they may apply to the new bank for funds with which to expand in Canada. Sometimes we choose to ignore the extent of foreign investment in this country. For example, the international economic report of the President of the United States, transmitted to Congress in February, 1974, shows that in 1972 American firms owned $44.1 billion of assets in this country. This represents by far the largest investment that United States firms have made in any country outside their own.

What is the impact on Canada of this type of investment? First, it is difficult to identify it, but we know that dividends going to residents outside Canada have increased sharply. We know that retained earnings of corporations controlled in this country by foreigners are soaring. The firm of Loewen, Ondaatje, McCutcheon & Company Limited in an interesting review of this matter explained the situation in this way: they speak of dividend trends in Canada and the United States and then say:

> What is more difficult to explain is the exceptionally strong growth performance of Canadian dividends paid to foreigners since 1969. One possible explanation might be that profits of foreign subsidiaries based in Canada have been growing substantially faster than profits of primarily Canadian-owned businesses, thereby permitting a faster growth in dividends paid to non-residents.

Imagine, here is a highly regarded investment research house saying something which politicians ought to say, namely, that foreign-owned businesses in Canada are prospering more than Canadian-owned businesses. They point out that in the period 1956 to 1969 there was an average real growth in dividends paid to Canadians of 4.87 per cent. Yet dividends paid to Canadians in the period 1969 to 1973—years when the Trudeau government was in power—tell, in real terms, by 2.07 per cent. And consider what happened to foreign dividends: dividends paid to non-residents in the period 1956 to 1969 went up at an average rate of 2.51 per cent per year.

Mr. Drury: In real terms?

Mr. Stevens: In real terms. I am pleased that the Minister of Public Works (Mr. Drury) is listening. In the five-year period 1969-1973, dividends paid to non-residents went up, in real terms, at an average rate of 4.61 per cent. On the other hand, in the last five years dividends paid to Canadians went down at the rate of 2.07 per cent, in real terms. Madam Speaker, I mention these facts because in considering motion No. 1 we must do so in the context of what is happening in Canada today.

● (1420)

One of the reasons we are barely balancing our trade figures at the present time is that we have an increasing outgo of dividends, interest payments, royalties and other charges to foreigners who hold interests in this country. With that background, surely motion No. 1 is worthy of consideration. It simply says that when dealing with an institution which will be subsidized by the people of Canada and is designed to help small business in this country—namely, the Federal Business Development Bank—let us make sure that the funds within the bank are not diverted in order to help foreign interests still further.

I do not believe in artificial barriers to keep out foreign investment. On the other hand, I am a strong proponent of giving incentives, and every break possible, to Canadian businesses to help them compete against foreign-controlled interests. The least the government could have done was to indicate in the bill that preferential treatment should be given to concerns owned, certainly majority-wise, by Canadians. Why is there no suggestion in the bill that Canadian concerns should get an interest advantage or special funds at substantially lower rates than would ordinarily be charged to non-Canadian concerns?

I listened very closely to the remarks of the Minister of Industry, Trade and Commerce (Mr. Gillespie). I believe it was not consistent for him to say that he felt the idea, in principle, had merit and then criticize it in substance and in form. Surely the minister would be the first to agree that he could have proposed an amendment to his legislation to cover this point. Knowing that this corporation will go into a new phase of life and will put out over $1 billion in the next four years, he should have written into the legislation a provision to make sure that the ten private interest directors who will be running this corporation will have the guidance of the legislation and this parliament in ensuring preferential treatment for Canadian interests. That is certainly the intent of motion No. 1 and that is why I support it.

Mr. Blais: Madam Speaker, would the hon. member permit a question at this time?

The Acting Speaker (Mrs. Morin): Will the hon. member for York-Simcoe (Mr. Stevens) allow a question?

Mr. Stevens: How could I refuse?

Mr. Blais: Madam Speaker, the hon. member for York-Simcoe (Mr. Stevens) cited a figure of $44 billion in United States assets. Does he have any figures to indicate what percentage of that amount represents ownership by United States companies or concerns which come within the scope of this legislation?

Mr. Knowles (Winnipeg North Centre): What is the relevance?

Mr. Stevens: Unfortunately, the United States publication does not break down the figures as precisely as that. However, the point I was making is that the Americans seem to know more about the amount of their investment in Canada than the Government of Canada. If the hon. member is interested in such figures, it is high time he approached the responsible ministers and others and asked them to produce the figures so we know how much small, medium and large business in this country is owned by foreign interests.

[*Translation*]

Mr. Joyal: Madam Speaker, I should like to put a question to the hon. member for York-Simcoe.

Can he tell us whether he was attending the committee meeting when the president of the bank stated specifically how many American undertakings had applied for loans from the Industrial Development Bank?

[*English*]

Mr. Stevens: I missed the first part of the hon. member's question. If I understood it correctly, the general manager of the bank indicated that a relatively small number of foreign concerns have applied to the bank. I am glad this question was raised, because this is my fear. Up to the present time, the Industrial Development Bank, under the Bank of Canada, has been run as an efficient and very responsible organization. It is true they have loaned less than 3 per cent of their total funds to foreign concerns. However, I am apprehensive, now that this bank is coming under the Department of Industry, Trade and Commerce, that we will not find in the bank the responsible management and direction we have had in the past.

I believe I have cause to be concerned, because we must bear in mind that the Export Development Corporation is now, and has been, directly answerable to the Minister of Industry, Trade and Commerce. That corporation has given financing to the extent of $1.5 billion to 51 concerns in Canada, and the majority of these concerns are foreign-controlled. If we look at the list, we see that the seven largest benefactors of export development financing—I emphasize that this is under the Department of Industry, Trade and Commerce—have taken $100 million in benefits each from the corporation. The majority of the 51 companies that have benefited under the $1.5 billion that has been laid out by the corporation are foreign-controlled.

Surely we should be concerned. Here is a bank intended to help small businesses. It comes under the same management which produced the type of result that has been so beneficial to interests controlled by the United States. I would point out that the largest foreign-owned benefactor under export development is none other than M.L. Worthington, which responded to a decree from its head office in the United States that was extremely embarrassing to certain members on the government side of the House.

As we have stated before, we believe in the Industrial Development Bank type of approach. We hope the Federal Business Development Bank will carry on in the same fashion as the Industrial Development Bank. However, we were very startled in committee to find that it is now generally accepted by the government that no longer is this bank to be a lender of last resort. In short, it is a very active, state-run, state-owned bank that is invading the private sector. This is another piece of evidence which illustrates that those on the government benches are becoming more and more state-oriented, leading us into a state type of country, perhaps without the proper comprehension of many members of this House.

This was pointed out by certain private interests who appeared as witnesses before the committee. They, in effect, said they could not compete with the subsidized Industrial Development Bank. They were being undercut in their rates. They stated that if the bank was not run in a way more conducive to ensuring that private sector lenders would not be run out of business, they in fact would be run out of business. I mention this because I believe it would be unfortunate to have a state-owned banking system in this country. I am fearful this may be the opening entry of this lusty government into the ownership of our banking institutions.

The Acting Speaker (Mrs. Morin): The Parliamentary Secretary to the Minister of Finance (Mr. Cullen).

Mr. Knowles (Winnipeg North Centre): Now for the lusty reply.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): This will be a very quiet and subdued speech, because that is the way I usually am. Madam Speaker, I listened to the hon. member for York-Simcoe (Mr. Stevens) take the usual Tory stance and come down firm on both sides of the issue. In one breath he said there is $44 billion of United States investment or ownership in this

country; in another breath he said he is in favour of a little more open trade between the two countries. One begins to wonder just where his party stands.

● (1430)

The minister of revenue for the province of Ontario has indicated that he does not oppose investment of foreign capital in his province. The NDP Premier of Manitoba has indicated that that province is quite prepared to accept funds in the interest of developing the province. One gets the impression, from listening to the remarks of the hon. member for York-Simcoe, that all foreign investment is bad, at least when you listen to the beginning of his argument. Then when you get down the road a bit you are not so sure he thinks it is so bad after all. So he seems to come down on both sides of the issue, which makes it very easy when you have to talk to two different types of audience.

Since I opposed the hon. member's amendment in committee and I intend to oppose it here, I should reiterate my reasons for so doing. On the surface, the amendment seems to warrant commendation. Unhappily, the hon. member has not looked down the road to the impact that it would have. I suggest that it would have an impact in two areas, one of which he had the tendency to slough off, namely, its impact on large corporations in small communities. The second area is the impact it may have on the development of feeder companies or corporations that depend upon a large corporation for their markets.

I can think of a situation where a large corporation might make application through the normal channels to the banks and be unable to secure a loan, so they go to the Industrial Development Bank—or to this particular bank, once it is established—on the understanding that funds will be made available for expansion purposes. This will enable them to create more jobs for Canadians in Canada and buy more supplies from Canadian corporations and small businesses, which I think the hon. member is particularly endeavouring to assist. However, I think that in the way he has worded his motion it would have the opposite effect. The hon. member says that the fact that a large, foreign corporation may not be able to get a loan will not be too significant in some areas.

Mr. Dick: Madam Speaker, I wonder whether the hon. member would indicate what words he would like to have changed. He said that the wording did not seem to be quite right to him. Perhaps he would suggest how the wording could be improved.

Mr. Cullen: The wording could be improved by leaving it out altogether.

Mr. Dick: The hon. member just does not know what he is talking about.

Mr. Cullen: I know exactly what I am talking about. The hon. member is indicating that foreign-controlled corporations should not have access to the Industrial Development Bank.

Mr. Dick: That is not what the amendment says at all. It refers to foreign ownership. There is a difference between ownership and control; at least, if you know anything about the subject.

Mr. Cullen: Whether it is foreign ownership or control, the hon. member is completely shutting the door to small Canadian corporations who may depend upon large corporations to find a market for their goods, or to find jobs for Canadians as a result of expansion from increased capitalization in the form of a loan. I am personally aware of a large corporation in a small community that pays anywhere from one-third to one-half of the municipal tax load through both real estate and business tax. This has a significant impact on that community. Recently the corporation made application for a loan and I am happy to say it was able to secure one. As a result, this corporation not only consolidated the jobs it had already created but expanded its operations and thus created more jobs. If, as the hon. member suggests, we remove this flexibility from the bill, that consolidation would not have taken place, that expansion would not have taken place and extra jobs would not have been created.

I think the hon. member's idea is a commendable one, but the witnesses who appeared before the committee indicated quite clearly that the number of corporations that are not Canadian or run by Canadians and are taking advantage of these funds is insignificant, something under 1 per cent according to the checks they had made. It was so insignificant that one of the people working for the IDB for many years did not see any substantial amount of these funds going to foreign corporations or, as my friend would say, these foreign-owned corporations. I think that in removing this flexibility because there may be down-the-road benefits, the hon. member is doing a disservice to the people whom I think he is honestly trying to help but whom his motion does not, in fact, help. For these reasons I shall vote against the amendment.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Madam Speaker, Bill C-14, to incorporate the Federal Business Development Bank, whose prime object is to replace the Industrial Development Bank, has given rise to the debate in progress.

Some hon. members fear that the new bank will serve, as did in some cases the Industrial Development Bank, to finance foreign companies.

Now, the Federal Business Development Bank should of necessity be accessible first of all to our small industries. Recently, a citizen of my riding asked the Industrial Development Bank for credit amounting to about $275,000. The minister answered that the bank does not loan more than $200,000.

Now, if the bank has limited powers, industries requiring $200,000, $400,000 or half a million dollars, which are not exorbitant amounts, will go to the Federal Business Development Bank which will be able to help them by taking the precautions required to avoid, as mentioned yesterday, conflicts of interest.

Some hon. members or people close to the minister could borrow. The purpose of the bill before the House is to help Canadian industry.

Madam Speaker, yesterday I believe, the hon. member for Gatineau (Mr. Clermont), speaking to the amendment, said that the money came from the deposits of the public at large. That is not entirely true, some of it is also made up of public funds.

That bank will be empowered to extend credit through the Bank of Canada because the latter will still remain the central bank, the master bank. Madam Speaker, will that bank have the same powers as chartered banks, except that chartered banks operate for their private organization, for their directors, their shareholders, or will it operate for the whole people of this country? That is rather important because we all know: Not everybody!

Recently, I talked to 1,000 chartered accountants in Toronto, and most of them did not know that a federal government bond purchased by the Bank of Canada allowed Canadian chartered banks to multiply the government bond by 16. In other words, $16 million worth of credit can be created for a $1 million issue—$16 million worth of credit in figures out of the ink bottle, out of the pockets of nobody. The banks have that power. Will the Federal Business Development Bank have a similar power to mint the possibilities—not the impossibilities—but the real possibilities that exist in the country?

Madam Speaker, the Federal Business Development Bank could be tremendously useful not only for maintaining any prosperity but for the economic stability of this country if the government, the board or the directors of the bank want to assume their responsibilities to develop Canada to its maximum, and not develop foreign companies. What is important is to help our own companies, our own small industries. There are thousands asking for government assistance, and they cannot get anything.

Madam Speaker, I think that might be what the government is considering in introducing Bill C-14 to help small industry. It will not be harmful to big industry in any way; that is not the purpose of the bill. It is to develop to the maximum what we can develop at home, and as I have been repeating for several years, as long as that financial institution, whether you call it the Federal Business Development Bank or the Bank of Canada, is not put at the service of the whole of the Canadian people, no matter who the directors of these agencies are, I am convinced that no government board will be able to protect Canadian contractors or industrialists against those who are bent on abusing legislation such as Bill C-14.

Madam Speaker, I hope wholeheartedly that this new bank will serve not only one sector of the public, but the public as a whole. If it does, there will be fewer conflicts in Canada than there are at present. No longer will we see people leaving Ottawa to go and preach separatism in Alberta, or people from Alberta going to Quebec to preach separatism, always with the same accusation: "It is because of Ottawa that such and such project cannot be developed in Quebec; it is because of Ottawa that such and such area in western Canada or the Maritimes cannot be protected".

It is possible to satisfy everybody. But this will require all Canadians, whether of French, English, Ukrainian, Japanese or Chinese ancestry, to strive for the common good, and not for the good of this one particular group at the expense of another. Only then we will understand better the meaning of national unity and the true destiny of the Canadian people.

[Mr. Caouette (Témiscamingue).]

● (1440)

[*English*]

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have been here for somewhat over two years, during which I have always found it instructive to be in the House when the leader of the Créditiste party is speaking. I was amazed that he was today able to speak at considerable length—covering the whole waterfront, including everything from Alberta and Quebec separatism to Social Credit monetary theory—without once dealing with question at issue, namely, the motion proposed by the hon. member for Lanark-Renfrew-Carleton (Mr. Dick). Let me add my unequivocal support to motion No. 1 standing in that hon. member's name.

We are not trying, by this motion, to resolve once and for all the question of economic nationalism, any more than we were trying to resolve once and for all, by the motion of the hon. member for York-Simcoe (Mr. Stevens), problems in respect of the openness of the government or conflict of interest. What we are concerned with here is setting a precedent and encouraging the government to take at least one, albeit hesitant, tentative and faltering, step in the direction of economic nationalism. I am surprised to observe the sort of resistance with which this effort is being met by hon. members on the government side.

It is interesting to note that the minister and members on the government side waxed eloquent about the problems of the Canadian small businessman as opposed to foreign control of our economy. When I think of this, I am reminded of the fact that this minister, at the same time as he talked about strong measures to deal with problems in respect of foreign domination of our economy, resisted a measure which would stop this federally-controlled bank lending moneys to foreign-controlled companies—which would increase foreign penetration into our economy.

I was reminded, as well, of the statement of the late Adlai Stevenson when talking about one of his political opponents. He said he was the sort of man who would cut down a redwood tree and mount the stump to make a speech on conversation. I suggest that is the attitude of this government. Its members wax eloquent about the issue of small business, and at the same time wax eloquent about the issue of foreign domination and Canadian control of our economy, yet they do everything possible to undermine the national interest. The ultimate principle involved here is whether Canadians are willing to have their tax money used to finance greater foreign takeover of our economy and increased foreign intrusion into our domestic affairs. This is something we should resist.

The parliamentary secretary in his remarks a short time ago spoke on both sides of this issue. He suggested at one time that it was very good for the small businessmen of this country and the economies of many communities that the government be allowed to lend money to foreigners. Then a minute later he said the figure is so insignificant that it hardly warrants consideration. If the figure is insignificant, the government should not have any hesita-

tion in taking this very faltering step in the direction of economic nationalism.

When we look at the money involved, we find that the Federal Business Development Bank will have $2.2 billion to lend, as is now the case with the Industrial Development Bank, and if only 1 per cent of that amount is loaned to foreigners it will amount to $22 million. That is, $22 million would be loaned by our federal government to encourage the takeover of our economy by foreigners. The actual figure is more likely to be 2 per cent, or $44 million; that would amount to $2 for every man, woman and child in Canada being used by this government to encourage foreign takeover.

As the hon. member for York-Simcoe pointed out, the Foreign Investment Review Board, the screening agency the government has set up, has a mesh that is too wide to trap small United States business from slipping through. It really does nothing to protect the interests of Canadians in this area. It should be very clear, when we are dealing with limited amounts of money—and they will be limited—that there will not be enough to go around so that all Canadians who want to take advantage of the program will be able to do so, and any money that we lend to foreigners will be money denied to Canadians.

What this will amount to is the use of Canadian taxpayers' money, some of which has been paid by Canadian small businessmen, for the foreign takeover of Canadian interests. When the minister spoke, he brought out the old chestnut used every time the question of economic nationalism comes up or any step which would do anything to encourage Canadian economic nationalism. He said this would discourage the economies of depressed areas, and what we have to do is encourage foreign-controlled corporations and small, foreign businesses to come here.

● (1450)

My party is not arguing—I want to stress this for the benefit of members on the other side—that what we should be doing is encouraging people living in an underdeveloped part of the country to keep their economy in a depressed state. We are saying that the economy of this country should be built by Canadians and that Canadians should receive the benefit of Canadian taxpayers' money. Also, when it comes to providing any incentives through this particular bank, they should be provided to Canadians because they are too scarce to be given to foreigners.

I believe, although I am not sure of this, that the parliamentary secretary mentioned that the Ontario government was not being terribly insistent in respect of the concept of foreign capital being brought into Canada. Fair ball—but this is not the issue here. It is not a question of foreign capital coming in; it is a matter of the use of Canadian capital by foreigners. It is worth looking at the record when the question of action by the Ontario government is considered. The Ontario government has gone considerably further than the federal government in respect of the issue of economic nationalism. More than a year ago, the Ontario government stopped giving loans under its development corporation to foreign-controlled companies. This the federal government has been unwilling to do. So the main thrust of the policies of the Ontario government has been toward economic nationalism, whereas the federal government has been extremely lax on the subject and, indeed, has been throwing up barriers to prevent our trying to gain some control over our own economy.

I think it would be interesting to bring to the attention of members of the House who might not have seen it, the report on the front page of today's "Report on business" in the *Globe and Mail* under the heading "Small business capital held critically short". This article quotes the president of Western Industrial Garments Limited as saying:

> The federal budget measures will not really be effective until the detail work is completed. They will probably help us keep up with inflation and no more. But small business has not advanced significantly in ten years. It needs a stronger financial base to compete against multinational and other large corporations and that means an infusion of capital for inventories and expansion.

This is the sort of money which could be made available to Canadian small businessmen if we restricted the lending policies of the Federal Business Development Bank. This is money which the government has denied them the use of. It is interesting, also, to consider a report submitted by Mr. Jim Conrad, entitled "Canadian income and foreign ownership". It is a report prepared for the Committee for an Independent Canada. I think one paragraph is very instructive in respect of this discussion; it reads as follows:

> The foreign-owned corporations in the non-financial sectors are the largest and fastest growing in Canada, and therefore benefit most from tax incentives given by the Canadian government (reduction of the corporate tax rate to 40 per cent, various deductible items—e.g. depletion—DREE grants, forgiveable loans which are taken from Canadian taxpayers and given to foreign corporations). In addition, foreign corporations are able to borrow from the bank, and raise debentures in the money market, generally much more easily than Canadian firms, due to the fact that foreign firms have the security of the foreign corporate head office. Therefore, we would expect to see the foreign equity ownership in Canada to be growing rapidly, and paying increasing returns to its foreign owners.

What the Committee for an Independent Canada is trying to point out is that, far from solving the question of Canadian economic nationalism or the problem of trying to gain some control over the Canadian economy, the problem is getting worse in this country. We need from this government more than pious proclamations. Canadian businessmen need more than simply the assurance that the minister is on their side, while at the same time the actions of this government serve to destroy the best interest of Canadian small businessmen. They need the government to show that it is acting in good faith, that it puts the priorities of Canadian small businessmen first and that it is willing, in cases such as are presented by the motion of the hon. member for Lanark-Renfrew Carleton, to stand and be counted in accordance with the principles in which it says it believes.

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I want to indicate briefly to the House that my party wishes to associate itself with the amendment moved by the hon. member. I hope that later we will have the opportunity of a standing vote on this issue so that members of the Liberal Party can indicate their position on the question of independence of the Canadian economy. The minister, when replying to the amendment, said he agreed in principle with its thrust. If he agrees in principle, I ask the minister—if he does not agree with the wording of the

amendment—to indicate to us that he will draft an amendment along the same lines, getting at the same principle, and will bring such amendment before the House. I am not satisfied with a few pious words in which he sloughs off the opposition by saying, "You are a nice little boy. You have moved an amendment. I agree with it in principle, but I do not like the way you dot a couple of i's or cross a couple of t's." If he is serious, why does he not come before this House with an amendment of his own?

The hon. member for Sarnia-Lambton (Mr. Cullen) said that very few transactions now take place because we have the Foreign Investment Review Act, and the Federal Business Development Bank would not lend a great deal of money to foreign firms. I cannot accept his explanation. There are a few loopholes in the Foreign Investment Review Act. One is that there is no legislation to cover the foreign firms already in this country which expand in the same field of endeavour or into a different area. I can see a firm coming to this country, expanding into an area not being screened under the Foreign Investment Review Act, applying for funds under the Industrial Development Bank and receiving them.

It seems to me this is grossly unfair and is the type of thing that should be covered by this legislation. Another question in respect of the Foreign Investment Review Act is that there is a threshold range: if a corporation or company has assets under $250,000, it is automatically not screenable by the Foreign Investment Review Board. Some of the small business operations which are foreign-owned might well come under that threshold when they start out in the business community. For such reasons, I believe the amendment before the House should carry. We are establishing the Federal Business Development Bank to assist small business in this country. Why should we use public funds to assist foreign business endeavours? That is beyond me.

I do not understand why this government cannot accept this amendment or one that agrees with it in principle but may be worded differently, so this House may express what I am sure are the true feelings of the Canadian people. Foreign ownership in this country is a matter most Canadians are concerned about. If we leave a small loophole in this bill—whether or not it will be really significant, in terms of dollars, is irrelevant—it will be symbolic. I think we should close any such symbolic loophole. If we do, it will be one of the steps we can take toward asserting control and maintaining sovereignty over our own economy—something that is long overdue. So I urge members of this House to show clearly by their vote where they stand on this, one of the important issues that we face.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): The question is on the motion in the name of the hon. member for Lanark-Renfrew-Carleton (Mr. Dick). Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

● (1500)

Some hon. Members: Yea.

[Mr. Nystrom.]

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion the nays have it.

Some hon. Members: On division.

The Acting Speaker (Mrs. Morin): I declare the motion lost on division.

Motion No. 1 (Mr. Dick) negatived on division.

The Acting Speaker (Mrs. Morin): Pursuant to a special order made yesterday, further consideration of the report stage of Bill C-14 stands deferred until next Wednesday.

* * *

INDIAN OIL AND GAS ACT

MEASURE RESPECTING LEASES, LICENCES AND ROYALTIES

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development) moved that Bill C-15 respecting oil and gas in Indian lands, as reported (with amendments) from the Standing Committee on Indian Affairs and Northern Development, be concurred in.

Motion agreed to.

Mr. Buchanan moved that the bill be read the third time and do pass.

Mr. J. R. Holmes (Lambton-Kent): Madam Speaker, it is a pleasure to make a few comments on Bill C-15 as amended, which is before the House today. I want to say at the outset that I have two very outstanding reserves in my area, of which I am sure the minister is well aware. They are both very progressive reserves. I am referring to Walpole Island. I may say that I live right across from St. Anne's, which is part of Walpole Island which, in my estimation, is one of the most progressive reserves in Canada.

The four amendments made to Bill C-15 serve mainly to render this piece of legislation more precise in ensuring that the rights of Indians on producing lands are well safeguarded.

Subclause 1 of clause 5 was amended by stipulating that royalties obtained in respect of oil and gas on Indian lands and paid to Her Majesty in right of Canada, are held in trust for the Indian bands concerned. We understand that for the most part royalties are paid directly into the band funds. Yet there may be instances, from time to time, of hold-ups in payment, or it is conceivable that the government might, at some later date, insist that all royalty payments be paid to the Crown. Therefore it is necessary that the legislation include a reassurance for the Indian bands that should the funds, to which by law they are entitled, not be paid directly to them, they will be held in trust for their benefit.

The second amendment to the bill in subclause 2 of clause 5 provides that:

The minister may, with the approval of the band concerned, enter into a special agreement with any person for a reduction, increase, or a variation in the basis of calculation of royalties payable under subsection (1).

The addition of the words "increase, or a variation in the basis of calculation of royalties payable under subsection (1)" emphasized the fact that the minister must have the approval of the band affected in all matters concerning the establishment of royalty structures. We feel it is essential that the Indian bands be consulted on every aspect of royalty rates, not just on the reduction of the same. Indeed, in the broader context, we think this context is fine, and we feel it is vital that Indian bands be consulted on all decision-making matters that affect them.

The addition of subclause 2 to clause 6 constitutes the third amendment to the bill. This addition again serves to ensure that the producing bands concerned be consulted, not only regarding establishment of the royalty structure and changes therein but for the purpose of the administration of this law.

The final amendment is the renumbering of clause 7 of the original bill as clause 8 of the amended version, and the inclusion of a new clause 7 which reads as follows:

Notwithstanding anything herein contained, nothing in this Act shall be deemed to abrogate the rights of Indian people or preclude them from negotiating for oil and gas benefits in those areas in which land claims have not been settled.

The purpose of this clause is to ensure that the Indian or native people may negotiate for oil and gas claims in those areas of land that have not yet been settled. This serves to allay the fear of the native people that this legislation might prejudice treaty and aboriginal rights.

We are extremely pleased that our amendments have been accepted, and once again may I congratulate the minister and the committee for the excellent work that has been done, and for the committee's co-operation and understanding of these particular aspects. This bill as it now reads is quite acceptable to us, and we also believe that it serves to guarantee further the rights and claims of our producing Indian bands.

There is one area of grave concern that we still have with respect to this legislation. A change was introduced in the royalty rate structure for petroleum in Alberta in January of last year, and again in April of this year. The changes raised the royalty rate structure of the province generally above those of reserve land. The Indian Act prohibited the producing bands from raising their royalties along with the provinces. It is our hope that with this new piece of legislation they may do so, but our concern lies with the past, and is focussed on the amount that the bands would have received had the provincial royalty structures applied to their lands from January, 1973, to date.

It is true that the royalty rates for oil produced on Indian lands changed as of April 1, 1974, and it was stated by Mr. Ed Moore, supervisor of Indian minerals, Calgary, that these are now somewhat higher than those of the province. But we must still concern ourselves with the rates from January, 1973, to April, 1974—a period of some 16 months. The moneys lost in that period should be repaid to the Indian bands.

Two specific references were made to this fact in the committee meeting, and I would like to refer to those, if I may. I would like to quote from page 18 of the proceedings of the Standing Committee on Indian Affairs and Northern Development held on October 29, as follows:

MR. LESAUX: However, there is provision in the bill to enable a regulation to be effected and that regulation, I trust, will reflect part of the catch-up to which you refer, Miss MacDonald.

MISS MACDONALD (KINGSTON AND THE ISLANDS): Is it the intent of the bill to make the regulations that the bill says will be within the discretion of the Governor in Council retroactive to January 1, 1973?

MR. BUCHANAN: No, it is not; though it is my understanding that there was some sort of a lump sum payment involved, a sort of catch-up provision that was included in these regulations.

My understanding is that it is effective April 1, but that there is a catch-up provision. I think there was a lump sum payment as well.

MISS MACDONALD (KINGSTON AND THE ISLANDS): Will that catch-up provision apply only between the regulations promulgated on January 28, 1974 and those of April 1, 1974, or will they be retroactive to the change in the provincial royalty structures?

MR. LESAUX: I am sorry, Miss MacDonald, I cannot give you a definite time-frame. All I can say is that this has been discussed with the major oil company concerned, has been acknowledged as being a commitment of that company, and that the sum involved is a matter of negotiation between the band and the company, with our acting as intermediary or being of assistance to the band.

MISS MACDONALD (KINGSTON AND THE ISLANDS): Can the minister or the department provide us with figures which show the number of wells on these reserves and the barrel production since the time that the royalty structures were changed in the province of Alberta?

● (1510)

MR. LESAUX: Mr. Chairman, I would like first to apprise the bands of your request; then I believe it would be quite in order to table such information.

I wish to point out at this time that the figures to which the hon. member for Kingston and the Islands (Miss MacDonald) referred, and which Mr. Lesaux stated could be tabled, have not in fact been forthcoming. It is true that the dollar figures for royalties on production of oil and gas on 20 Indian reserves were tabled, but not the barrel production figures per reserve. I know that the hon. member for Wetaskiwin (Mr. Schellenberger) has been concerned about this matter and has made numerous inquiries about these figures. I would suggest to the minister that it is most important that the figures be tabled at an early date.

Returning to the question of loss of funds experienced by the Indian bands I should like to quote again from the minutes of the committee meeting of October 29. The first question was asked by the hon. member for Moose Jaw (Mr. Neil):

MR. NEIL: Mr. Chairman, maybe this is a matter of policy and perhaps I should be asking the minister—of course he was not around at the time—but I am wondering when Alberta, for example, changed its regulations and increased its royalties, why the federal government, if they felt their regulations were defective, why did not the federal government then immediately bring in a bill of this nature? It seems to me that the Indian people, as a result of the failure of the government to move, have lost probably millions of dollars.

MR. LESAUX: I would prefer you to pose your first question to the minister.

MR. NEIL: I appreciate that.

MR. LESAUX: On your second question, I can assure you that there will not be a loss, as you describe it, of millions of dollars, that there will be catch-up provision, which I suggest has already been discussed with the major producers.

MR. NEIL: You say catch-up provision. Will this be based on the rates that existed in Alberta?

MR. LESAUX: Yes, sir.

MR. NEIL: And your catch-up provision will be a case of getting moneys from the oil companies to make up the difference between the 1966 rates and the prevailing rates in Alberta when they change their regulations?

MR. LESAUX: Well, the 1966 rates, I . . .

MR. NEIL: This is the rate you have been working on.

MR. LESAUX: Yes, but if you are suggesting, Mr. Neil, that we go back to 1966 with a catch-up . . .

MR. NEIL: No, no. I am only suggesting that you go back to the date when Alberta upped its royalties.

The two references to the loss of money and a future catch-up provision indicate in a rather nebulous fashion that the Indians will receive the funds which they were unable to obtain from the time when the provincial royalty structure changed.

We fully expect the government to ensure that this commitment is honoured with regard to the royalties on petroleum. I say petroleum only, because I have some indication that the producing bands have already been conpensated for the loss of natural gas royalties. However, I do request further clarification on this point, and should the compensation not have been made to this point in time, the government should make certain that the loss of money in this area will be made up in the future.

This money is extremely important to the Indian bands—I cannot over-emphasize this fact—for the general improvement of living conditions on their reserves. I might point out that a conclusion has been drawn that, because the oil companies were able to take oil from the reserves without paying the maximum royalty, they substantially increased production on Indian lands. I would like to quote again from the proceedings of the Standing Committee on Indian Affairs and Northern Development of November 5. At that time the hon. member for Wetaskiwin asked the following question:

MR. SCHELLENBERGER: This will be my last question. Because the oil companies have good legal advice and they realize the inadequacy of the legislation under the Indian Act—and I suppose this question again should go to the minister, but I wonder if you have any comments—have the oil companies increased production on Indian lands because they were able to take that oil without paying the maximum royalty, and by increasing production on these Indian lands have depleted their resources substantially in the last year?

MR. SEYMOUR: Yes, I believe that has happened because, even though we do not have the exact figures on it, the royalty has not increased substantially and yet the royalty amount, according to the minister will be increased substantially. I can only conclude that production has caused the increase.

The Minister himself in his speech on October 21 said that the Pigeon Lake Indian Reserve had oil estimated in 1969 to be good for 30 years' production at the then prevailing rate, but now, only five years later, it is thought that these reserves will decline drastically in the next three years due to increased production. The Indian people must be compensated for situations such as this—when the reserve is depleted there will be no more royalty income. They must benefit from their resources today in order to prepare for the future.

This leads me to the question of the export tax. I find it necessary to bring this up again because I wish to ascertain what has happened to the money that has been collected since October of last year as export tax on oil produced on Indian lands. Can the minister indicate when a statement will be made concerning these funds? Where is the money presently? What is being done with it? How much money is owing to the producing bands? When will it be returned to them? Will they receive interest thereon?

These are fundamental questions that have been raised on numerous occasions in this House, particularly by the hon. member for Wetaskiwin. We are anxious to discover the true facts surrounding these funds. The Indian people could well use the money for building homes, buying machinery and farm equipment, and for generally raising their standard of living. The hon. member for Wetaskiwin recently gave an example of the Samson band who want to increase the size of their furniture factory and tried to borrow from the Indian Economic Development Fund. They found it impossible to do this. These people want to do something constructive, something that will improve conditions and employment for their own people, but their efforts are hampered by financial pressures, I may say financial pressures that exist unnecessarily. They had sufficient money right here in Ottawa but they cannot benefit from it at the present time. Surely this and similar situations could be quickly remedied by giving the Indian people the money that is rightfully theirs. Hopefully in his reply the minister can give us some assurance that immediate action will be taken to restore the money owing to these Indian bands.

Mr. Deputy Speaker: Order, please. I notice that the minister is standing to be recognized and wishes to speak. I must draw to the attention of the House that as the minister moved the motion, although he has not said a word, it is considered that he has made a speech. And because on third reading of a bill the right of reply does not apply, because third reading is not by precedent considered as a substantive motion, as is a motion to move second reading, the only way that the minister would be able to speak at this time would be with the unanimous consent of the House.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, it is Friday afternoon and I think we would be glad to hear from the minister.

Mr. Deputy Speaker: Is it agreed that the minister be heard, by consent, at this time?

Some hon. Members: Agreed.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Thank you, Mr. Speaker, and I wish to thank my colleagues in the House for their Friday afternoon generosity. First of all I am happy to be in a position, as was the preceding speaker, to tell the House that in my opinion also the Standing Committee has improved the bill. The amendments are of a nature which I welcome and endorse.

Some hon. Members: Hear, hear!

● (1520)

Mr. Buchanan: Before speaking on the amendments I should like to refer to the export tax, to which the hon. member for Lambton-Kent (Mr. Holmes) referred, and

which is also of concern to the hon. member for Wetaskiwin (Mr. Schellenberger). Like the hon. member for Wetaskiwin, I am anxious to pursue the matter of the export tax, and to do my utmost to ensure that 50 per cent of the export tax collected in the period when it was shared equally by the federal government and the provinces is returned to producing bands. This matter is being pursued with provincial governments. The Department of Finance is the department which will negotiate for these funds with the provinces.

May I now speak to the amendment. There are three changes proposed. The first makes it clear that royalties are paid to the Crown to hold on behalf of the bands concerned. There was never any other intention, and this amendment puts into more specific language that which would have taken place in any event.

The second amendment puts into the bill the commitment to consult the Indian bands most directly affected. I am committed to consultation, as is the government. There is a great and growing reliance on consultation as a necessary adjunct to the management processes, to ensure that those affected are directly involved. I will be pleased to see our commitment enshrined in law, for it will make certain that the future will follow the course this government has pioneered.

The remaining amendment ensures that the bill cannot interfere in any way with settling claims in areas where there are no treaties or the Indian title has not been superseded by law. It is a safeguard, probably not required, but better to have than to wish for, if circumstances should change from those which I now anticipate.

With passage of this bill the way will be clear for the Indian people whose reserves are producing oil and gas to reap increased benefits. This is a vitally important factor that cannot be overlooked by the House. The Indian people stand to gain substantially from the resource which lies beneath reserve lands. It is a resource peculiarly and specially related to the modern economy.

We are often told of the damage that our society has done in the past, is doing in the present, and is likely to continue to do in the future. These warnings are often overstated. But obviously there is an element of truth to them. Nevertheless here, today, we have an opportunity to see that some of the advantages of the modern economy flow to the Indian people. When the treaties were signed on the prairies, few thought of oil and gas in the treaty areas, and no one foresaw the impact of technology on this natural resource. This bill ensures that the bands benefit fully from society's use of this non-renewable source of energy.

This bill, as members know, provides for higher royalties which reflect the new situation in oil and gas. It provides for the bands to be consulted about changes in the royalties and regulations which may become necessary as the oil and gas situation changes, and it has changed rapidly in the last few years. The bill ensures that the Indian people will get their full and rightful share of returns from this unique and valuable resource.

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

Some hon. Members: Agreed.

Motion agreed to and bill read the third time and passed.

* * *

FIRE LOSSES REPLACEMENT ACCOUNT ACT

AMENDMENT TO EXTEND APPLICATION OF ACT

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development) moved that Bill C-18, to amend the Fire Losses Replacement Account Act, as reported from the Standing Committee on Indian Affairs and Northern Development, be concurred in.

Motion agreed to.

Mr. Deputy Speaker: When shall the bill be read a third time?

Some hon. Members: By leave, now.

[*Translation*]

Mr. Buchanan moved that the bill be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

* * *

ALBERTA-BRITISH COLUMBIA BOUNDARY ACT, 1974

MEASURE TO ESTABLISH COMMISSION TO DELINEATE BOUNDARY

[*English*]

Hon. Mitchell Sharp (for the Minister of Energy, Mines and Resources) moved that Bill S-13, respecting the boundary between the provinces of Alberta and British Columbia, as reported (with an amendment) from the Standing Committee on National Resources and Public Works, be concurred in.

Motion agreed to.

Mr. Deputy Speaker: When shall the said bill be read the third time?

Some hon. Members: By leave, now.

Mr. Sharp (for Mr. Macdonald (Rosedale)) moved that the bill be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

* * *

ENVIRONMENTAL CONTAMINANTS ACT

MEASURES TO PROTECT HUMAN HEALTH AND ENVIRONMENT FROM CONTAMINANTS

The House resumed from Tuesday, November 19, consideration of the motion of Mr. Sharp (for the Minister of the Environment) that Bill C-25, to protect human health and the environment from substances that contaminate

the environment, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

Mr. Deputy Speaker: I am trying to determine who has spoken in this debate. The hon. member for Kamloops-Cariboo (Mr. Marchand) introduced the bill at this stage; therefore there is nothing to prevent the Minister of the Environment (Mrs. Sauvé) from addressing the House at this time.

Mr. Baldwin: Mr. Speaker, we are delighted to hear the minister speak, so long as it is understood that she is not closing the debate.

Mr. Knowles (Winnipeg North Centre): It should also be noted that the hon. member for Vancouver South (Mr. Fraser) insisted on the minister making a speech. It is too bad that he is not here to listen to her.

● (1530)

[*Translation*]

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, I am very glad to have the opportunity to take part in the debate on second reading of Bill C-25, to protect human health and environment from substances that contaminate the environment. Hon. members will recall that when this bill was presented for second reading, I was in Victoria to attend a meeting of the council of environment and resources ministers and that I was unable to be present in the House. I wish to thank the parliamentary secretary for having replaced me and having so ably introduced the bill under consideration.

I would simply like to remind the House that this bill represents a very important step in the history of the challenges that we must meet as concerns the degradation of the environment, and even more important, as concerns the new development concepts that we must establish in modern society.

Mr. Speaker, with this bill, we enter the second generation of the environment policy, where we take preventive rather than corrective action. Because this was a new field, we had to start by repairing the damages that had been done to the environment and by eliminating the circumstances and situations caused by our activities on this planet. We also had to take emergency action to correct some of the damages caused to the environment, as well as to protect endangered species, of which we had just began to take notice, and also to make our environment healthier, since it is very important that man can go on living in an environment which can bring him all the satisfactions to which he is entitled.

Before bringing forth the bill, of course, we endeavoured to examine all instruments that are at our disposal to meet those new problems. We studied all existing laws to make sure that there would be no duplication in that field because we do have some instruments that fortunately allowed us to act. These are the Fisheries Act, the Clean Air Act, the Canada Water Act as well as some acts relating to the Department of National Health and Welfare which we have been able to invoke in some circumstances.

But today, we want to go further and fill the gaps in federal or provincial legislation because some circumstances arise in which, if we had to face really difficult problems, we would not have any legislative instrument enabling us to act in an effective way. I need only recall the recent controversy about the effects of chlorinated water on human health.

Some scientists in the Mississippi area have started pointing out that there might be a certain link between the cancer rate in the Mississippi area and the fact that Mississippi waters are among the most polluted in the world even though Mississippi water is treated with chloride.

Mr. Speaker, every time something like that happens we should not go into a panic and immediately prohibit the use of these disinfectants to treat sewage water. Of course, we will have to face problems that are known to us and which are probably much more serious. In fact, if we have managed to get rid of typhoid fever because we now know how to disinfect our water we must still see to it as the years go by that we do not get into a situation where chlorinated water could be a probable cause of cancer.

Therefore, if this situation proves to be alarming, if our research, which is very rigourous, leads us to discover that chlorinated water is dangerous, we would have to find an instrument to control the level of concentration of this substance used to disinfect water. We would perhaps at least need instruments which would give us further knowledge of the chemical components of certain of these products. So, Mr. Speaker, with modern developments there are always new problems arising and governments which want to be modern need more and more refined instruments which will allow them to face these situations.

In brief, therefore, we would like to beef up certain federal and provincial laws and as far as possible we would also like to increase the efficiency of our present legislation.

The aim of Bill C-25 is to protect our health and environment against chemical substances which are judged to be dangerous or toxic. This bill will allow us to control concentration levels as it is obvious that certain substances are dangerous only if they are absorbed in sizeable quantities. That, for instance, is what goes on in the Mississippi region, where the concentration of those substances are constantly assessed for their toxicity and asepsis. They are not toxic at certain levels but, absorbed in high enough quantities, they assuredly are. We should then control their level; it would not always be necessary to prohibit the use of those chemicals.

Mr. Speaker, this new bill must be passed because discoveries are made through research which is being done here and in other countries. We keep up to date with research being done throughout the world. The nature of some substances must be taken into account. We are beginning to discover that some of them do not disperse in the atmosphere, that some do not disintegrate. It is felt therefore that their accumulation might be harmful because, through that accumulation they could infiltrate the environment and become clear sources of contamination.

This new bill, Mr. Speaker, would therefore empower the government to require from all manufacturers, users and distributors, data on the composition of those chemi-

cals, and even require those manufacturers and users to perform tests to check the effects of the absorption of those substances, either in the environment or by individuals, in the atmosphere or even in the ground. Those data would be absolutely essential if we are to exercise the necessary controls.

We also want to measure the extent to which those substances are being used by the public, in the atmosphere and in manufacturing processes generally. For instance, we know paint contains toxic substances.

Some substances are suspected of being toxic, those in aerosols, for instance. I am seeking therefore the authority to study those substances and their chemical, biological and toxicological characteristics. In some cases, manufacturers may be compelled by legislation to provide the government with the information it needs, information which may very well be treated as confidential. If we are better informed about the rejection patterns of these substances, Mr. Speaker, we will eventually introduce the necessary legislation. We must obtain answers to the questions we ask ourselves about the new chemicals appearing daily on the market. Phenols and freons are big questions marks. Freons are chemicals which are used as propellants in aerosol and which are suspected—I repeat, suspected only—of affecting the ozone level in the atmosphere.

That is particularly crucial in the Arctic regions because, as we know, the level of ozone there is a lot lower than at other latitudes, and consequently we must study the effects of supersonic flights over those regions because aircraft release substances that can be injurious to the ozone over our latitudes. Supersonic flights, of course, must be supervised but it might also be advisable to control the use of aerosols.

Mr. Speaker, getting all those details which are indispensable for the promulgation of regulations, controls, measures and the circulation of information, such are the objectives we have in mind in introducing Bill C-25.

I do not say, Mr. Speaker, that we do not already have a lot of information about all those matters. No, quite the contrary, as I said, the Department of Environment and the Department of National Health and Welfare and other government agencies continuously make studies based on the information they can obtain from other countries also concerned by those questions. We already have a lot of information in that respect.

And I must say that although Bill C-25 will empower us to ask manufacturers for additional information or data on the products they make, already before the legislation is even passed, before it is even put into effect I must give credit to the manufacturers who already provided information to the department on the nature of new substances they intended to introduce on the market. They are already co-operating because they realize that prevention is indeed better than cure.

So, Mr. Speaker, it is to strengthen that co-operation from manufacturers that I seek authority under Bill C-25 to officially ask for the information I need.

The legislation already in existence dealt with the direct contamination of air or water, contamination coming from industrial sewers and plant chimneys. But the new legislation will provide us with means of control over about a hundred products that can be contaminating, even indirectly.

And that is why I needed a new instrument enabling us, for instance, to oblige manufacturers to run tests and notify us of the results. Mr. Speaker, that would facilitate the evaluation of those products and lighten the responsibility of making appropriate recommendations to manufacturers, users, distributors and, if need be, on the methods that could be used to destroy certain chemical substances considered as harmful to the environment.

The law, Mr. Speaker, already contains self-defense mechanisms against vexatious behaviour. I do not intend of course to use this legislation to launch undue inquiries, but only those that would prove essential to public interest. The law also has means of redress for those who would feel they were wronged by certain rules, orders in council or provisions of this legislation. It also provides for consultation mechanisms and, I would like to emphasize this point, the law would give the Minister of the Environment only residuary powers in cases where other federal or provincial legislation would make provision for problems of the kind we are now facing. The law also provides for penalties, which are unavoidable. In order to be effective, a legislation must provide for penalties and they are, I believe, sufficiently harsh to discourage those who would intend to violate such laws and regulations.

In short, Mr. Speaker, this well balanced legislation will enable us to make up for the failings of some of our existing laws and would undoubtedly meet with the people's desire to live in a healthy environment, allaying their concern over environment, what with all the theories we hear about this planet's limited capacity to absorb pollution.

This piece of legislation is also a proof of the modern ideas of this government, that will not let economic development and environment concerns develop on parallel lines. There is no conflict, Mr. Speaker, between those two important things, however, they must not develop on parallel lines, but they should meet so that we may find new development concepts. The legislation is therefore meant to prevent damages to the environment so that we could avoid devoting all our energies to repair damages. It would also enable us to tie up a loop, because there can be no gap, Mr. Speaker, in the feed chain or life cycle. Each defective link jeopardizes the entire chain or cycle. And as the Minister of the Environment, it is my duty to be on the alert for such defaults or deficiencies which could occur in the chain or life cycle and to suggest to the government the necessary action to restore that life chain or cycle. For there can be no gap in that chain or cycle and there is surely some interaction between what goes on land and underwater.

Consequently, Mr. Speaker, I am proud to introduce that bill to the House, because I have the impression that it meets the deep yearnings of the people as well as those of the hon. members opposite who no doubt want to join me in cleaning the environment, and say with me to the people that this government is conscientious and is conscious of the dangers of modern development and that a wise and progressive government does not want to refrain from dealing with those problems as it becomes more and more urgent to solve them.

● (1540)

[*English*]

Mr. Baldwin: Mr. Speaker, on a point of order, there has been a suggestion among the House leaders in regard to facilitating the business. While my hon. friend from Lambton-Kent will be our next speaker on this bill, and while hopefully he will speak for a few minutes on the bill before four o'clock, there are two other bills that the government House leader is anxious to forward and get through second reading and into committee. I think that could be done now, as long as my hon. friend will be entitled to the floor when we are through and we revert to this particular bill.

Mr. Coates: Mr. Speaker, on the same point of order, I believe it will be my private member's bill that will be debated this afternoon, so we need not see the clock until five or ten minutes past the hour to facilitate this suggestion.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, why don't we move time ahead instead of pushing it back? I suggest that the hon. member for Lambton-Kent (Mr. Holmes) rise now and move adjournment of this debate, that we then take the two bills that the government House leader has in mind, and then start the bill of my hon. friend from Nova Scotia, even at five minutes to four.

● (1550)

Mr. Holmes: Mr. Speaker, having listened to the observations from all sides of the House I would be prepared to move the adjournment of the debate at this time, maintaining the floor when the House next considers this bill.

Mr. Deputy Speaker: Order, please. Mr. Holmes, seconded by Mr. Baldwin, moves that the debate be now adjourned. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

On motion of Mr. Holmes the debate was adjourned.

* * *

STATUTE REVISION ACT

MEASURE TO PROVIDE FOR REVISION AND CONSOLIDATION OF STATUTES AND REGULATIONS

Hon. Mitchell Sharp (for the Minister of Justice) moved that Bill S-3, to provide for a continuing revision and consolidation of the statutes and regulations of Canada, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Motion agreed to, bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

[Mr. Sauvé.]

ACT TO REVISE REFERENCES TO COURT OF QUEEN'S BENCH OF PROVINCE OF QUEBEC

MEASURE TO AMEND STATUTES IN VIEW OF ABOLITION OF COURT

Hon. Mitchell Sharp (for the Minister of Justice) moved that Bill S-16, to revise references to the Court of Queen's Bench of the province of Quebec, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Motion agreed to, bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Deputy Speaker: Order, please. It being four o'clock the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, notices of motions, private bills.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CANADA ELECTIONS ACT

AMENDMENT TO PROHIBIT PUBLICATION OF PUBLIC OPINION POLL RESULTS

Mr. Robert C. Coates (Cumberland-Colchester North) moved that Bill C-213, to amend the Canada Elections Act (publication of the result of opinion polls), be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, this is not the first time I have debated the subject matter of this bill in this House, but I hope it will be the last.

In view of the fact that this parliament should last for approximately four years, short of some calamity we cannot anticipate at the moment, hon. members of this House should be in a better position to put their own houses in order, in so far as future election campaigns are concerned, by developing in one manner or another a more realistic approach to electioneering, and attempting in every way possible to assist the public in making reasoned judgments as to which political party and candidate should be supported in a constituency.

This bill has the support of the leader of my party. That hon. member, like myself and many other Canadians, has indicated a growing concern about the use of polls during election campaigns. I have no objection to their use by political organizations, individuals, groups or companies. It is my belief that such use has become a part of our way of life, and we accept the fact that polls are a vital and useful source of information in certain instances.

What has concerned me from the beginning, and concerns me today, is the fact that we have no rules or regulations associated with the use of polls and the results being placed before the public as authenticated information on which the public can draw conclusions. I am fearful that the use of such information by the media can be developed in such a way that people are misled or

duped into reaching conclusions, and that this can be an obstacle in the way of obtaining information on which the public can rely in coming to a conclusion or a decision during an election campaign.

The results have been used in the past, in certain instances, in a way that has come close to stampeding voters during election campaigns to come to wrong conclusions. I am afraid that this may happen if the present system is allowed to continue. If this bill is referred to the Committee on Privileges and Elections I believe we may be able to devise rules and regulations in respect of information presented to the public during election campaigns, so that the public will appreciate that there is a backup to the information provided as the result of an authentic poll.

Let me give an example of what can happen. On one evening toward the end of the last election campaign, I think in the last week or 10 days, I was listening to an evening newcast by the CBC. Certain views were given, based on a poll conducted by the CBC. Certain statements were made about certain things which might happen on the basis of information obtained by the corporation. That was well and good. During a later newscast that evening by the same corporation, based on the results of the same poll, a totally different statement was made as to what might happen.

As something more than a disinterested political observer, I reached the conclusion that the CBC did not know what it was talking about, or that the poll was so difficult and complicated to read even its own officers could not make a firm decision about the prediction. This is the sort of thing that has happened over and over again.

Some people might ask what difference it makes because people do not pay attention to polls in any event. I believe that people do pay attention to polls.

● (1600)

I think the Labour Party in Britain in 1970 discovered, to its unfortunate shock, that the poll on which it relied showed a result that was nothing like what the electorate produced in the way of votes. In effect what the poll did in respect of that political election campaign, because it indicated that the Labour Party in Britain would win by a very substantial margin, was to draw voters away from that party to the Conservative Party.

What concerns me, whether it should happen in favour of or against my party, is that people start making decisions, not on the gut issues that are being discussed but on figures presented as being authentic to show that this or something else will happen. People do make decisions in that way. Therefore I say the very least we as members of parliament can do, if we are to allow polls to continue in this country and be used by the media during an election campaign, is place the public and ourselves in a position of knowing that when the results of polls appear, the polls have been governed by some guidelines which we can accept.

We must be sure that there is no manipulation by the media in an effort to direct the electorate in any given direction. I do not say that the electorate necessarily would follow the direction in which the media might tend to lead it, but I do say that up until now it has been very difficult for me to believe there is any credibility at all in the results of any of the polls that have been produced and used during an election campaign because, almost without exception, when the information is brought forward there is a doubt factor which can run as high as 25 per cent.

In the particular poll to which I referred involving the CBC, the doubt factor ran as high as 33 per cent. When one realizes, when election day comes around, that 5 per cent of the electorate, should it swing one way or the other, can either elect or defeat a government, one realizes it is difficult to have much faith in polls which have such a doubt factor involved in them. Yet the media does not mind this very substantial doubt factor because, if the results are not the same as were indicated, they can then say that the doubt factor substantially went one way or the other, which altered the result the media had predicted.

I do not know about the radio and television stations, but many of the newspapers in this nation become very upset by any suggestion that they should be prevented from using polls. They say this would be curtailment of freedom of speech. I say in answer to that that any time the press does not provide accurate information to the public, based on sound facts, that information should not appear in the newspapers. I say there is no curtailment of freedom involved if the newspapers are prevented from using information which, in the first instance, is not authentic. All too often newspapers have neither the staff, the time nor the capability to produce accurate information in respect of what they endeavour to place before the public about an event that is taking place.

More often than ever before in the history of election predictions, polls have been shown to be inaccurate. At the same time while this is the case I believe a great many people in this nation still rely on them in an endeavour to make up their minds on how they will vote. Whether we like it or not, my experience in respect of the various election campaigns in which I have been involved is that many voters make their determination on whether or not they think they are voting for the candidate who will be a member of the party which forms the government.

All too often the polls give an inaccurate assessment of what in actual fact happens on election day. Unless some guidelines are produced, I feel polls should be abolished so far as their use publicly in the media is concerned.

At the same time, so that members of parliament cannot be charged with limiting freedom of the press in any way, I would accept as an alternative guidelines established by Parliament that would tell the media that if they are to produce the results of polls during an election campaign, and place these results before the public as accurate and authentic information on which the public should be able to rely, then the media will have to follow a set of rules and regulations to the effect that it must be shown how many people were encompassed by a poll, that the poll was national in its investigative function, or provincial if the poll being placed before the public purports to give a reading on the trends in a given province.

In addition the regulations should provide that every area in the nation must be involved. Far too often, especially in respect of Gallup polls produced in this country, there is no mention of the attitudes of the people who live in the four eastern provinces.

Many polling organizations seem to think that Canada begins at the New Brunswick-Quebec border and extends to the west. As one coming from Atlantic Canada I feel that our people should have a voice, and have a point of view which should be expressed. I also feel it is important to know what the people in all parts of Canada think, especially if something is being presented which is supposed to contain authentic information about how Canadians feel.

There are many other considerations, but I believe there should be a substantial contact with the people in the nation, that all parts of the nation must be involved, and that there should be a minimal doubt factor. All these things should be spelled out when the poll information is being presented to the public as authentic information concerning the type of trend that is developing during an election campaign.

● (1610)

If these things were done I would feel better about it when listening to the poll information, and so would the public. There would be an elimination of the danger that the media in one form or another could manipulate the public by using poll information that was not accurate, to tell people things that were going to happen when in fact they did not have the information to indicate that such events were occurring. I think that the people who are putting out that kind of information have to accept responsibility for it, and must face the fact that after the event occurs the information they presented should have been at least in close proximity to the result forecast. I believe it would be in the best interests of everyone if this were to happen.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I want to make a few remarks on this bill. As for all other bills put before the House during the hour set aside for consideration of private members' business, I fear the clock will again put an end to the debate. But I must nevertheless congratulate the hon. member for Cumberland-Colchester North (Mr. Coates) for having proposed this bill.

As far as the polls are concerned, Mr. Speaker, I understand we are grappling with a difficult and serious problem because it allows journalists not to play their informative part, but to mislead the population by publishing the results of these polls. I say "mislead", because I have 13 years of experience in politics, and every year or at every election, my constituents have been seriously misled. The vote proved the public opinion polls wrong. Even in the last election, they predicted my defeat by 3500 votes to my Liberal opponent. Yet, I made it with a majority of more than 4,000 votes, which makes a difference of almost 8,000 votes with the polls' predictions.

I feel that such action should not be allowed during a period as sensitive as election time. Some take an election campaign as a joke; to them, it is like a horse race. But when one is serious about politics, when one is a member of a political especially a third party, when the odds are one to one hundred, it is then that we realize the bad influence of opinion polls.

[Mr. Coates.]

I see that the government members are having fun and are laughing, but with millions of dollars, it is easy to laugh and to buy every possible opinion poll. I think the public is misled because many people rely on polls. Even if some believe that people pay no attention to these polls, I suggest it is not so. A large number of people rely on these polls which often influence their votes. Those people expect the results to be in accordance with the poll and they are all disappointed after the election to find that the opposite happened. I say this not only for the successful candidates but also for their opponents, in order to prevent terrible disappointments, to keep a candidate from believing that according to the poll, he should win, whereas the next day he is astounded by the results. I would even say that it is unhealthy for some defeated candidates, Mr. Speaker.

I think that everything would go well if the government wanted to act properly, if big parties wanted to be honest. I am referring to the big parties because it is still felt today that everything can be bought, and since the big parties have the money, since they can pay reporters, radio broadcasters and pollsters, they control the polls. Now, there are two kinds of polls. Some are pretty good in their areas, although they cannot give the picture of the whole country. On the other hand, other public opinion polls, and they are in great majority, are "cooked" by supporters who want to influence and attract the 15 or 20 p. 100 of the voters who might be influenced by these polls.

Mr. Speaker, I think that prohibiting all publication during the whole electoral period would guarantee protection to the public, especially when there are controversies with the media. During the last election, I have had a striking proof of that. I knew that those polls were false and I did not even pay attention to them. I did not even give one dollar to the media and, unlike in previous years, I did not resort to radio or television programs for support. I published nothing in the big newspapers, precisely because I had lost all confidence in them.

● (1620)

To my astonishment, I was elected with a majority of almost 2,000 more votes than in previous elections. But those people had been misled during the whole election campaign. They were brainwashed by 12 or 15 ministers, going about in cars, helicopters, planes, for three weeks in my riding, spreading propaganda. To my mind, that is dishonest influence. The people who are supposed to be free, are not allowed to do something serious, wise on their own. They are not even given time to think things over.

That is why I am happy to see this bill introduced; this evening, I hope, it will be referred to the Standing Committee on Privileges and Elections where we can face each other, the government members and those of the opposition, and say what we think as well as what is going on. After the elections, the electoral comedy and the money game are over. I feel much more honest and dignified work could be done in committee to protect the freedom of the Canadian citizen.

Mr. Speaker, I do not want to abuse the time of the House dealing with this matter, but after such a dirt-throwing campaign, there is much to say. However, with this bill, I wish to demonstrate to the Canadian people

that there are things money cannot buy, that Canada is still a democratic state, that it is still up to the citizen to decide, that no decision can be imposed upon him and, more often than not, that his decision cannot be bought.

Mr. Speaker, I wish that this bill be referred to the Standing Committee on Privileges and Elections.

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, I am pleased to take part in the debate on Bill C-213, because it raises a quite important issue. It goes much beyond the public opinion polls made during the election campaign. Indeed, it deals with the entire question of information during the election campaign.

As a matter of fact, since the appearance of the communication media through broadcasting, our election techniques have been entirely altered. This view, Mr. Speaker, applies as much to hon. members opposite as to members on this side.

As a result of the advent of television and radio and the increasingly broader role played by the media in the information of citizens, the broadcasting of views and information is quite important in the choice made by the electors on voting day.

In the past, the only opportunities for the elector to get acquainted with the government measures and decisions were the public meetings.

You remember, Mr. Speaker, that it was the custom after Sunday services or still at grandiose ceremonies to summon the local people and convey to them comments and judgments that were mutually exchanged on what was done during past terms.

Today, the elector is shut up in his home. Quite often, he does not have the time to get interested in electoral debates. Indeed, Mr. Speaker, I think we are mistaken about the interest most citizens take in the electoral campaign.

All hon. members will agree that the period of keenest interest exists in the last few days of the electoral campaign, in the last two weeks in particular, and that everything before that serves as nothing more than a warm-up for the electoral machinery. Therefore, that is the time when interest is developing and it is also when the modern information techniques are applied.

Surveys as we now know them changed in a quite unpredictable way. Indeed, over the years, we had grown accustomed to giving first place to the written media. Anyone going through dailies and weeklies of that period can find out that every party bought space in them, and more generally emphasized communications in the written media. But radio and television caught up, and now the broadcast word is just as likely to influence voters as the written word.

I was rather surprised to read Bill C-213 in its present form and hear my hon. friend suggest among other things that he would not oppose the regulation of surveys. Personally I would not oppose it either if all the facts were known. But I had a quick look through papers published on the question, I looked at studies completed here in United States and England, and I realized very soon we have but limited knowledge in the field. As a matter of fact, nobody doubts surveys have an impact, but the question of measuring such an impact, of estimating its effect on the voter is still unanswered. I would direct my colleagues to an article which appeared in pages 25 and 26 of October 1974 issue of the *Economist*, that is a few months after the July election.

Reference to a couple of studies done by university professors can be found here. The first one is by Professor Harris. It is considered the most authoritative, first because it involves a representative sample of voters and second because questions asked dealt directly with the impact of the survey on the voter's choice. And here, is Professor Harris' conclusion. Professor Harris found no evidence that polls affected total turn-out of voters or switches between one party or another.

Mr. Speaker, citizens are undoubtedly interested in knowing results of surveys. However, the credibility of surveys may be the determining factor. As a matter of fact, during the last election campaign, for instance, the Liberal and Conservative parties both published the results of an opinion survey. Obviously, each of them believed to be ahead of the other and both believed they had made important gains. I do not think that such a survey was a determining factor on the voter's choice as, finally, these conclusions were contradictory.

Another survey was made by a radio station in Montreal, based on a very limited sample of voters and three weeks before the vote. Even there, I do not think this survey had a determining influence on the voter's choice. On the other hand, it has also been said that the sponsors of these surveys could control public opinion. However, a survey was made 15 days before the elections outcome in the Province of Quebec by the IQOP, l'Institut québécois d'opinion publique, which is directed by people who are neither Liberals nor Progressives Conservatives but who belong to a provincial party. That survey was made in a way that I consider scientific. It was made by an agency famous in this field and that specializes in surveys. Second, this agency made the survey according to a proven method. Consequently, it had more credibility because two factors were involved in the evaluation of the results. Third, the sample chosen was representative that is to say that voters were chosen according to their location in urban centers and rural areas were also well represented so that the sample reflected the province's sociological pattern if I may say so. Last, the period at which the survey was made was also taken into account.

I believe, Mr. Speaker, that a survey made under those conditions, those four factors being taken into account, can allow the voter to reach convincing and useful conclusions. Moreover, if a poll is conducted by a host on an open-line program at lunch time, in the afternoon, when people are busy doing anything but getting serious information and debating political matters, if results are broadcast by a station, by a host who knows nothing about sociology, a host who simply answers calls from radio listeners, if those polls are conducted by people who may already have their own opinion and may tend to influence the results of the survey, such polls, in my opinion, have no credibility whatsoever and finally prove that Professor Harris was absolutely right in concluding that such polls have a marginal effect on the voters' choice.

● (1630)

I think, Mr. Speaker, that at election time, we hear a lot of true and false statements. I share the opinion of my colleague for Roberval (Mr. Gauthier) who said that all kins of information are often heard during election campaigns. But I can tell you, Mr. Speaker, that the information or comments we hear are far more harmful than the few results that may be published following polls.

For example, a candidate during the last election campaign stated that the government favoured Quebec because $1 bills showed Parliament Hill as seen from Hull instead of Ottawa. Well, Mr. Speaker, I think candidates who go about telling such lies have a far worse influence on public opinion than any radio station, country paper or minor newspaper which decide to conduct their own polls.

Finally, Mr. Speaker, we have to face the fact that, under present circumstances, many voters do not follow as closely as might be expected the political events. Not every voter waits for the results of polls before deciding for which candidate or party they will vote.

By the way, Mr. Speaker, to come back to one of the studies on the matter, the one by professor George Gaskell from the London School of Economics, an institution that my colleagues of the Social Credit Party of Canada know quite well, Professor Gaskell mentioned that even within the studies that are now being made, the results of a poll are quite different if its findings show that there is a very wide difference between the leading party and the runner up, whether the two parties are following one another very closely or the voters are completely indifferent or undecided concerning the issue of the election.

Mr. Speaker, at this stage of the studies on this question, I would really feel unprepared to accept the bill as proposed. If it were suggested that we legislate on polls or allow a definite period of time in which these polls were to be conducted and if, on the other hand, agencies like Statistics Canada were asked to conduct these polls, in that case, I think we could make regulations which would allow public opinion to take shape under reasonable conditions. However, in the present context, I do not think it would be wise to prohibit all polls by saying afterwords: "We will regulate them".

I believe it would be much more useful in the interests of our electoral traditions and especially of the protection that we, as members of Parliament, must ensure our fellow citizens, if we were to introduce immediate regulations, some legislation that we could discuss and assess as against the results of the investigations which could be carried out on the value of polls.

I am not one of those who would be the first to restrict public opinion or favour measures restricting freedom of speech. However, I realize, as do all my colleagues, that there are all kinds of exaggerations and that these methods are used to serve all kinds of purposes. However, Mr. Speaker, I do not think the best way of arriving at an acceptable situation is to ignore polls. In fact, all commercial agencies use polls when they want to market a product and all political parties, whatever their colour, make good internal use of polls.

Of course, when it comes to electoral strategy, it is very easy to say that the results are in our favour and that such or such candidate is ahead. However, I am of the opinion that, before getting rid of this technique which, at present, gives appreciable results, we had better try and put forward a legislation which would allow us to make surveys in acceptable conditions, rather than simply proposing to abolish them. When organizations conducted polls or surveys to determine the unemployment rate in this country, before the establishment of Statistics Canada, we did not think very high of the results, but now that a duly authorized organization such as Statistics Canada makes known the results of its monthly surveys conducted according to specific standards and criteria, these surveys are given the credibility they deserve and are useful in the developpment of economic policies.

I believe, Mr. Speaker, that it is the same with polls. We should manage to propose—and this is something I suggest to my hon. colleague who sponsored bill C-213—regulations on polls, to authorize some professional agencies rather than simply abolish polls and ignore that this technique is useful and may be of use to the electorate. As for me, I do not think that the proposed results could be achieved simply by abolishing polls under the pretence of the exaggerations or dishonest actions which may happen in public opinion and under the pretence of the manipulation of public opinion; Mr. Speaker, one must admit that the number of voters who may be affected by the results of a poll varies with the elections.

There are elections in which the opinion of a majority of voters is already set in favour of a party. There are election situations in which the public opinion is quite divided between the policies and the mandates proposed by different parties. Finally, there are elections in which the outcome seems so remote that the majority of voters take no interest in them. I do not think, Mr. Speaker, that we have enough information nor sufficient evidence at this moment to accept, as my colleague suggests, to purely and simply do away with the taking of polls during election periods, and once the writs are issued.

I rather think, Mr. Speaker, that all parties who really want to improve our election habits should further their studies in that respect on an individual basis in an effort to determine the extent to which polls affect public opinion and propose regulations rather than merely ignore the polls. I would like to relate that question to the financing of political parties. The financing of political parties has been under attack for several years, particularly the obscurantism of election funds involving all sorts of tinkering with the financing of political parties and election costs. Indeed, Mr. Speaker, it would have been simplistic for the House of Commons to decide overnight to do away with all contributions to political parties simply because there was a risk of tinkering on the part of candidates of a party or the government. Parliament looked into that matter during the 29th Parliament and passed a very complex legislation. I think all political parties that are now prepared to apply it realize that. I think progress was made in that direction, and I would think that we should follow that example if we want to improve our political habits about public information. That is why, Mr. Speaker, I would purely and simply ask that this bill be withdrawn since in its present form it does not contain enough material to be referred to committee.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I suspect that almost every one of us has either spoken of polls in the way one of our party leaders expressed himself about them during the last election, or thought about them in that way. He said, "When the polls are in my favour, they are wonderful; when they are against me, I pay no attention to them."

I readily understand the concern of the hon. member who introduced this bill, a concern expressed in his hope that our elections might be run in such a way that our electors would really have free choice. I support that ideal to the hilt, but it seems to me that other things interfere with that free choice far more than the publication of polls.

The previous parliament enacted legislation respecting election expenses. I do not think it went far enough. I think money spent on high powered advertising frustrates the opportunity of people to think freely at election time. If we want to improve our elections by allowing citizens of our country freer opportunity to express their thinking, we should go further in equalizing amounts of money available to the various parties and, as well, take any steps we can to rid ourselves of misleading advertising, which is prominent in election campaigns just as it is prominent in the commercial world generally.

We can do something else to improve our elections. I know that what I feel is felt by members in all quarters of the House, and I regret very much that we have not moved in this direction. I am speaking, of course, of shortened election campaigns. They ought to be several weeks shorter.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Election campaigns lasting seven, eight or nine weeks are rough for all those who participate in them and they weary the souls and minds of our people, until they hardly know what to think. Near the end of that long period they are easily stampeded one way or the other. I think we would improve people's freedom of choice at election times if our election campaigns were shorter.

● (1640)

As for this specific bill, I would certainly have no objection if the subject matter of it were referred to the appropriate committee so that this matter could be discussed further. However, I see some very real difficulties in it.

During an election campaign, I pursue one of my favourite ways of campaigning by going to shop gates. If I stand at a shop gate early in the morning and ask enough of the workers going in how they are going to vote so it becomes clear to me that I have 75 per cent or maybe 90 per cent of the workers at that particular plant—

An hon. Member: Oh, oh!

Mr. Knowles (Winnipeg North Centre): My friend need not laugh. There are plants in Winnipeg where that is the case. However, if I send out a news sheet, poster or handbill, or in any other manner say that the workers at the CPR Weston shops, Dominion Bridge or Manitoba Bridge plants in Winnipeg North Centre are voting 75 or 80 or 90 per cent for me, according to this bill I would be committing an illegal act.

There are real difficulties when you try to control the dissemination of information or the collecting of information and publishing it in one way or another. Maybe I have taken the extreme case, but certainly any reading of these words makes it clear that the bill does not just confine itself to the established commercial poll-taking organizations. It applies to any person who purports to take some kind of poll and publishes the results of that poll in any manner whatsoever. I think the bill is good as a vehicle for getting the subject discussed. If the subject matter could be referred to a committee for such discussion, that would be useful.

I cast my eye across the way and I see that my friend, the hon. member for Ottawa West (Mr. Francis) is here. He usually is on a Friday afternoon. He is part of this exclusive club that is here on Friday afternoons.

Mr. Francis: Thank you, Stanley.

Mr. Knowles (Winnipeg North Centre): He has a bill on the order paper which deals with a broader subject, of which this is a part. I refer to the hon. member's Bill C-333 having to do with subliminal advertising. I am concerned not only with subliminal advertising, but with the subliminal effects of a great deal of open advertising.

Most of us have ideas and ideals about what life should be like, the kind of persons we should be and how we should live. However, if I get the opportunity to sit in front of television, I come away with the impression that in order to be a full fledged member of society in this twentieth century, and it is getting pretty close to the twenty-first, you have to make sure your breath is pure. If you are female, you need to have the sweetest mouth in town. I find you have to make sure you have no body odours that are offensive and the impression given is that you have. These advertising people tell you what to do about all that. I find that you must drink beer and enjoy it.

Mr. Cullen: How many drink it who don't?

Mr. Knowles (Winnipeg North Centre): I don't drink it. I don't enjoy it. Indeed, I share the feeling of the Minister of National Health and Welfare (Mr. Lalonde) that it is offensive that this kind of advertising is put over television.

The hon. member for Cumberland-Colchester North (Mr. Coates) is concerned about freedom of people to express themselves at election time. I say that the freedom of people in this country to decide the kind of persons they want to be is terribly thwarted. It is terribly frustrated by the kind of advertising for profit that goes on in the media of this country.

I could go on with a long list, but I do not want to speak too long on this. The ultimate is that you really are not a full fledged member of twentieth century society and are unable to get into the twenty-first century unless you have the right kind of tissue in your bathroom.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): That is what the advertising people are doing to us. The hon. member who brought forward this bill has drawn our attention to the fact that they are also trying to influence us in terms of our voting patterns. They are all doing it for commercial reasons. They are all doing it for a profit. I submit that society has to sort this all out somehow.

I belong to a party that believes there is a lot we can do by legislation, but I do not see how we can legislate the press or the media. We might suggest that they be here when we are discussing them. I am glad to see two reporters in the gallery at the present time. When I got up there was only one. A second came in. This is a red letter day for me.

I do not want to take any more time because others want to speak. The hon. member for Cumberland-Colchester North has done a service by raising this issue today. That is not an indirect way of saying I will support his bill, because I am afraid I cannot. I think it would create more problems than it would solve. In any event, as I said earlier, I still want to be free to try to make an assessment of how things are going in my constituency at election time, and to say how I think things are going. How you can draw the line between one person doing that and another, I do not know.

I end with an emphasis on the point I have been trying to make. A concern that is really hitting us in our society today is the extent to which freedom of thought and freedom of decision as to the kind of people we want to be is terribly thwarted by commercial interests. I am glad there is some legislation on the books regarding misleading advertising. I think we have to go a lot further. I hope that one day we will have media, print and electronic, educational forces, religious forces and all the rest, the aim of which will not be some particular axe to be ground and not some particular profit to be made, but the real enrichment of human life.

Mr. Muir: I wonder if the hon. member will permit a question.

Mr. Knowles (Winnipeg North Centre): Gladly.

Mr. Muir: Thank you very much. I always listen with great interest to the distinguished and hon. member for Winnipeg North Centre (Mr. Knowles). He talked at great length about misleading advertising. During the last election campaign thousands of yellow sheets were passed around my constituency by the NDP candidate which said in so many words "Moneys have been allocated for two constituency offices and two secretaries for Bob Muir. Bob Muir has not opened these offices and has not employed these two secretaries. Where has the money gone? Your guess is as good as mine".

I am sure that all members here, especially the distinguished member from Winnipeg North Centre, know how moneys are allocated for constituency offices. Members do not receive any moneys. It is all a deal between treasury and so on. Does the hon. member consider that misleading advertising in view of the fact he has mentioned misleading advertising so much?

[Mr. Knowles (Winnipeg North Centre).]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if the facts are as the hon. member has stated them, that is of course misleading. I deplore misleading advertising or misleading propaganda of any kind, particularly in this area. I say this as one who has spent no government money at all on a constituency office.

Mr. Muir: Thank you.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I lost in that exchange one and a half of my three and a half minutes. I can, therefore, abbreviate more than ever before. I want to agree with the hon. member who just spoke about the iniquity of beer advertising. I think it is most unwholesome. I commend him rather to a much more sedate and thoughtful document, the Senate Report on the Commonwealth Caribbean, which refers to the high quality West Indian rum.

Mr. Knowles (Winnipeg North Centre): Order!

Mr. Macquarrie: That is the kind of thing he should be reading instead of spending his time on beer ads which are just as much trash.

● (1650)

I want to say that when I first heard my colleague from Cumberland-Colchester North (Mr. Coates) mention this subject, I was very cool to it. But as election has followed election, I look with more favour upon his suggestion, because I think there is in fact, in this age where the medium is the message, some great danger in the manipulative tendencies getting just a bit out of hand. I agree with that great man Charles Lynch, who, while he is often wrong certainly can write, when he pointed out not long ago that the question about Gallup polls is whether or not they distort the democratic process by depicting the voting pattern in advance. This is a very important matter which I believe should be carefully studied.

The hon. member will probably be successful because a lot of us who have been here for quite a while have found that we tend to harp upon a given subject. I have been talking about permanent voting lists ever since I have been here, and some day we could get them. Perhaps we will then have what the hon. member for Winnipeg North Centre (Mr. Knowles) desires, a shorter election campaign period, and that is all to the good. Some day, I hope, we will have electronic voting in this chamber and a set period of waiting for the vote. I remember that in one parliament I and my colleagues spent slightly over a month on the voting process, and this means something less than an efficient operation of the parliamentary system.

I commend my colleague for his bill and I believe it should be studied by the committee. To expedite that process I will resume my seat.

Mr. Jack Pearsall (Coast Chilcotin): Mr. Speaker, in opening my remarks I want to touch on an area which I have not heard mentioned this afternoon. Being a naive backbencher perhaps I have not caught on to something, and in many ways I am very thankful that the galleries are not too full. I gather that the hon. member for Cumberland-Colchester North (Mr. Coates) is experiencing

grave concern as to the effect these various polls may have upon the average voter. Indeed I gathered from his remarks that he is of the opinion that the voter is being led down the well-known garden path.

On this point I have to disagree. Few, if any, public opinion polls in the past three or four elections have, in my opinion, been correct. I say that the average voter, in the west at least, pays little or no attention to such polls. Voters meet the candidates and speak with them, and then make up their minds. I am sure that the hon. member for Winnipeg North Centre (Mr. Knowles) must know from all his years in politics that it is the people who make up their minds, not the polls.

I cannot accept the view of the hon. member from across the way who went on about the big money parties controlling such polls. Has he no faith or trust in his fellow citizens? Does he believe that most voters are so naive that they will believe anything they hear on the radio, see on television or read in the newspapers? I would not dare accuse the electors, in my riding at least, of such foolishness.

If we choose to enforce such a bill as Bill C-213 we are, in effect, telling the people of Canada that they are not to be trusted; that in the opinion of the supporters of this bill—

The Acting Speaker (Mr. Penner): Order. I regret to interrupt the hon. member but I do so to seek the will of the House concerning private members' hour which, as hon. members know, started at 3.54 p.m. Is it the desire of the House that private members' hour be precisely one hour, or that we should allow the hon. member to continue until five o'clock?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, at 3.54 p.m. we called it four o'clock so I think we should go to five o'clock.

The Acting Speaker (Mr. Penner): Is that agreed?

Some hon. Members: Agreed.

Mr. Pearsall: Thank you, Mr. Speaker. As I was saying, we are, in effect, telling the people of Canada that they are not to be trusted. I gather that the supporters of this bill are of the opinion that the average Canadian does not have the intelligence to understand what he or she sees, hears or may read during an election campaign, and I find this carrying things a little too far. As I said earlier, thank heavens there are not too many of our electors sitting in the galleries today, for I am afraid they would have some very harsh things to say about their representatives down below in this chamber.

I believe that the great majority of Canadians are intelligent enough to review all the issues during a an election. They make their choice regardless of what the polls try to tell them. There is a poll conducted on the west coast which is known as the hamburger poll, and which has been going on for quite a few years. Perhaps other members have it in their areas as well. Some of the results of this poll have been really ridiculous, but it was amazing how it was only the news media that built it up to any extent. When the final results came in the man with all the hamburgers in his favour lost the election, and his supporters ended up with bad stomachs.

All through this bill the average Canadian is being told that he is not to be trusted when he walks into a polling station, or looks at television, or reads a newspaper during an election campaign, and I honestly feel that this is an insult to the average Canadian, indeed to all Canadians. They make their choice regardless of what the polls try to tell them. I believe all my fellow Canadians conduct themselves during an election in a manner that we would expect of them.

When I hear it said today that the Canadian people can be contaminated by such polls, I cannot help but wonder what is the thinking of the hon. member and how is he going to answer the people in his riding when he puts forward such a bill as this.

Mr. Crouse: He has been through eight elections so I think he can answer to them for a little while longer. Don't let that concern you.

Mr. Pearsall: Well, I told the House I was a naive backbencher. Therefore I cannot concern myself with this bill and I believe it should be withdrawn.

I should like to make one other point that I missed and which the hon. member raised. He attempted to convey to us that the kind of poll he was mentioning in his bill could have an influence—

The Acting Speaker (Mr. Penner): Order. please. Once again I regret having to interrupt the hon. member but the hour allotted for private members' business has now expired. It being five o'clock. this House stands adjourned until Monday next at 2 p.m.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, December 2, 1974

The House met at 2 p.m.

[*English*]

PRIVILEGE

MR. ELLIS—INVESTIGATION OF MEMBERS OF PARLIAMENT BY ROYAL CANADIAN MOUNTED POLICE

Mr. J. R. Ellis (Hastings): I rise on a question of privilege, Mr. Speaker, arising from the point of order raised Wednesday last by the Solicitor General (Mr. Allmand) as recorded at page 1710 of *Hansard*. I regret that this is my first day in the House since the statement was made. The minister stated:

> ... it was alleged that he had in his possession a classified document belonging to the Unemployment Insurance Commission. This could have constituted an offence under the Official Secrets Act.

I feel I have two points which must be made. First, who was my accuser and how was the accusation made? Why was I not told about the accusation? Surely, any citizen, and perhaps particularly members of this House, is entitled to know when and if they are under investigation, for what purpose and who the instigators are. Surely, an investigation of this sort is not made on the basis of an anonymous phone call. I am confident it was not started by the RCMP themselves but, rather, on the direction of someone within the cabinet.

Second, with regard to the Official Secrets Act, what classified documents relating to the Unemployment Insurance Commission could possibly be construed as "prejudicial to the safety or interests of the state"? Surely, the collection of funds from employers and employees across Canada, adding contributions from government and distributing the same to the unemployed, could in no way be construed as a security matter. It might well be, as has been shown, evidence of monumentally inept bungling on the part of the UIC administration; but surely all Canadians, particularly members, have a right to know what is happening to their money. The disclosure of such a document might be prejudicial to the safety or interests of the government, but that is far removed from an offence under the Official Secrets Act.

Is the Solicitor General, the second highest ranking legal officer in the government, in fact confessing that he is perverting the Draconian provisions of the Official Secrets Act to the uses of the government rather than the state? In light of the serious statements made by the minister, I feel I have a bona fide question of privilege. I therefore move, seconded by the hon. member for Churchill (Mr. Smith):

> That the subject matter of this question of privilege be referred to the Standing Committee on Privileges and Elections.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the hon. member has raised some important questions. I was not the minister responsible at the time, but I would be pleased to look into the questions he raises. I might say that I said it could have constituted an offence because the police did not know what the nature of the document was at that time. I think, if I remember correctly, the hon. member himself said in a television broadcast that he had a document. Who had asked for the investigation, I am not sure; but I will check into that. I also went on to say in my statement last week that once the RCMP had checked with the hon. member they found there was no ground for any charge and dropped the case immediately. But the hon. member raised some important questions at the beginning of his remarks and I will check into this matter and give the information to him and to the House as well.

● (1410)

Mr. Speaker: Order, please. If there are no other contributions on the question of privilege of the hon. member for Hastings (Mr. Ellis), may I say that the hon. member did give the Chair notice and, as a result, gave us an opportunity to examine the merits of the case. I do not want to dwell on the matter at great length. It is a somewhat unique situation in view of the fact that the matter first arose in the House on Tuesday, November 26, the day before the minister's remarks, when the hon. member for Rimouski (Mr. Allard) was putting questions to the Solicitor General (Mr. Allmand) about RCMP investigations.

In the course of this exchange, the Solicitor General made replies which indicated that members of the House, or others, would not be investigated unless they were suspected of some breach of security or alleged criminal activity. At that point, the hon. member who has just raised the question of privilege rose in his place on a point of order and said, basically—I will paraphrase his words which are, of course, reported in *Hansard*—that, having been subject to an investigation without being suspected of any criminal activity, he challenged the answer of the Solicitor General. In due course, the Solicitor General made further remarks which indicated that in light of the hon. member's remarks, he would check further and report to the House.

In view of the fact that it was the hon. member himself who raised the question and put it in issue, namely, that he was at one time the subject of an investigation as a result of some connection with the Unemployment Insurance Commission, and it was not the Solicitor General who first raised it, and in view of the fact that the Solicitor General then undertook to report to the House—and did report to the House—the following day indicating that, as the hon. member had indicated, the reason for his investigation had to do with the possession of a document connected with the Unemployment Insurance Commission, with the result of the inquiry being that there was no criminal activity or breach of security connected with the

possession of the document, the investigation was dropped.

Under the circumstances, I think it is appropriate for the House to address itself, with concern, as to whether or not the investigation should have taken place in the first place. In that respect, I am sure all members of the House are grateful for the undertaking of the Solicitor General to look into the matter and to report further. Indeed, as the Solicitor General said to the House, he was not the incumbent of this office at that time, and I am sure his undertaking will be pursued to the comfort of members of the House.

But the question before us at this moment is not that one particularly but, rather, whether the remarks of the Solicitor General to this House constitute a question of privilege. In view of the fact that it was the hon. member himself who first intervened in the proceedings the previous day to put these facts on record, I am unable to find that any action by the Solicitor General constitutes a breach of the privileges of the hon. member, therefore, of any other member of the House. Therefore, I have to find that there is no prima facie question of privilege at the moment.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT AND COMMUNICATIONS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. John Campbell (LaSalle-Émard-Côte Saint-Paul) moved that the second report of the Standing Committee on Transport and Communications, presented to the House on Thursday, November 21, 1974, be concurred in.

Mr. Reid: Mr. Speaker, I think this particular report raises some procedural points and I wonder if Your Honour would like to hear argument on them.

Mr. Speaker: Order, please. The Chair has examined the report in question and is, indeed, deeply concerned about its orderliness. Briefly, the facts are that a private member's bill concerning the recapitalization of the British Columbia Telephone Company was presented in the House in proper order and referred to the Standing Committee on Transport and Communications. That committee tabled its second report which made recommendations to the House concerning the deposit that was paid to the House of Commons on account of the fees payable upon the recapitalization of the company; that is to say, payable upon passage of the bill. The committee recommended that these funds be held in abeyance because of a possible change in the procedures of the House in respect of payment of these fees.

Upon study of that report, the Chair was in considerable doubt as to whether or not that was within the authority of the committee which had before it a bill for study. The following report of the committee recommended passage

[Mr. Speaker.]

of the bill without amendment. In fact, the bill was passed on Thursday last in private members' hour with one amendment which went forward with the unanimous consent of the House.

That report having been tabled, it is now moved that the House give concurrence to the report and to the recommendation that the deposit of some $200,000 be held in abeyance until such time—I should not go further than that because until when is not absolutely clear. In any case, that report is before the House at the present time. The question is whether the committee has authority to go beyond the provisions of the bill and to make recommendations on matters which appear to be outside the scope of the bill entirely.

The Chair has some concern and is prepared to hear argument now, or to give hon. members an opportunity to prepare presentations upon the point of procedure and to hear argument at this time tomorrow. I am in the hands of the House in this regard. Perhaps we should defer the matter for 24 hours and hear argument tomorrow. One hon. member has given the Chair some precedents to examine, and it might be worth while if we were to hold the matter in abeyance until motions tomorrow, to call the motion at that time and to see hon. members who might wish to contribute to the question of procedure at that time. Is it agreed?

Some hon. Members: Agreed.

Motion stands.

* * *

COMMUNITY EMPLOYMENT STRATEGY

TABLING OF JOINT COMMUNIQUÉ ISSUED BY BRITISH COLUMBIA AND FEDERAL GOVERNMENT

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I wish to table, under Standing Order 41(2), copies in both official languages of the joint communiqué on Community Employment Strategy agreed to by the federal government and the province of British Columbia in Vancouver last Friday, November 29, this being the first we have signed with any provincial government.

* * *

PENITENTIARIES

TABLING OF ANNUAL REPORT OF CORRECTIONAL INVESTIGATOR

Hon. Warren Allmand (Solicitor General): Mr. Speaker, when we established the position of correctional investigator one year ago, I promised to table the annual report of the correctional investigator even though there was no statutory requirement to do so. I should like, now, to table in this House the first annual report of the correctional investigator.

Mr. Turner (Ottawa-Carleton): It is an open government.

Mr. Stanfield: Open as a sieve.

Mr. Wagner: An open penitentiary.

* * *

AGRICULTURE

BEEF—LARGE DIFFERENTIAL BETWEEN PRICE PAID BY CONSUMER AND RECEIVED BY PRODUCER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, I rise to propose a motion under Standing Order 43 on a matter of pressing and urgent necessity. This matter concerns the unprecedented spread between the low price paid to the beef producer and the high price paid by the consumer. No inquiry to date, including that of the Food Prices Review Board, has been able to explain this spread, although it is of vital importance to the underpaid producer and the hard pressed consumer in these days of escalating food prices.

Mr. Speaker, I have documentary evidence that leads me to believe that this low producer return and high consumer price problem has been caused by malfunction of the government-administered grading system. I plead with members to support my motion asking that the government inquire into this matter of such great concern to all hon. members and to the public. I shall be glad to appear before any inquiry with my documentary evidence.

● (1420)

With consent, Mr. Speaker, I therefore move, seconded by the hon. member for Swift Current-Maple Creek (Mr. Hamilton):

That the government immediately inquire into this serious matter.

Mr. Speaker: Order, please. I have considerable reservation whether this matter, although important, contains any ingredient of immediacy or pressing urgency. In this case, because the full details of the hon. member's presentation may leave some question as to whether the necessary degree of immediacy or urgency is present, I will inquire of the House whether there is unanimous consent. The hon. member's motion, presented pursuant to the terms of Standing Order 43, requires the unanimous consent of the House if it is to be debated. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous agreement, the motion cannot be put at this time.

Attendance of Members

HOUSE OF COMMONS

LEAVE OF ABSENCE GRANTED MEMBERS UNDER STANDING ORDERS—PRIME MINISTER'S VISIT TO WINNIPEG

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, rather than relying on Standing Order 43, I rise to move a motion under Standing Order 5, which reads:

Every member is bound to attend the service of the House, unless leave of absence has been given him by the House.

Sir, it has been announced that at the invitation of Mayor Juba of the city of Winnipeg, the Prime Minister (Mr. Trudeau) is to attend a centennial dinner in my city this Thursday, December 5. Because I am one of the Winnipeg members, and because all of us feel that he should be there, I should like to move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That the Prime Minister be granted leave of absence from the House of Commons on Thursday, December 5, 1974, under the provisions of Standing Order 5, for the purpose of attending a centennial dinner being held in the city of Winnipeg, provided that at that dinner he announce the early commencement of work on the new air base facility promised to Winnipeg during the recent election campaign.

Mr. Speaker: Order, please. Notwithstanding the clear provisions of the rule which may or may not affect the right of the Prime Minister (Mr. Trudeau), without the leave of the House, to attend this or any other ceremony or function which may be considered as part of his duties, the fact is that the provisions of that rule do not contemplate any motion as substantive as the one now being presented to the House without fulfilling the requirements of notice that pertain to every other substantive motion. I know that no one in this chamber is more aware of this provision than the hon. member who has just got his point across without conforming to the rules.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. If my motion is not put and granted, does that mean the Prime Minister does not have the right to be absent on Thursday?

Mr. Speaker: Order, please.

Mr. Trudeau: Mr. Speaker, I am surprised that the hon. member does not move, in the same motion, that I be given permission to absent myself to go to Washington. Surely, important though Winnipeg is, the relations between Canada and the United States are also very important.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if there is unanimous consent, I shall be glad to add Washington to Winnipeg in the text of my motion.

Mr. Trudeau: Mr. Speaker, does the hon. member also want to ask the House to approve the unanimous instructions that he would want me to carry out in Washington?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I could try.

Order Paper Questions

[*Translation*]

AGRICULTURE

FEED GRAINS—GOVERNMENT MEASURES TO ALLEVIATE SHORTAGE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Eudore Allard (Rimouski): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to introduce an extremely urgent motion.

In view of the grain inspectors' strike, the impending end of the shipping season and the eventual scarcity of flour and feed grain in eastern Canada, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the government take immediately the necessary steps to cope with those conditions.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

FORT-FALLS BRIDGE AUTHORITY ACT

MEASURE TO REMOVE REQUIREMENT FOR ACT OF U.S. CONGRESS BEFORE COMMENCING CONSTRUCTION

Mr. John M. Reid (Parliamentary Secretary to President of Privy Council) moved for leave to introduce Bill C-367, to amend the Fort-Falls Bridge Authority Act.

Some hon. Members: Explain.

Mr. Reid: Mr. Speaker, this bill will amend the Fort-Falls Bridge Authority Act to bring it into conformity with an enabling act passed by the United States Congress. There were some discrepancies between the two acts. This act will bring ours into line with theirs and allow a new bridge to be built at Fort Francis international falls.

Motion agreed to, bill read the first time and ordered to be printed.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

Mr. John M. Reid (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the following questions will be answered today: 105, 136, 146, 215, 233, 239, 253, 285, 369, 379, 393, 407, 435, 436, 512, 546, 577, 579, 611, 623, 675, 678, 686, 697, 730, 768, 791, 820 and 867.

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

GOVERNMENT GRANTS TO CANADIAN COUNCIL FOR RESEARCH ON EDUCATION

Question No. 105—**Mr. Allard:**

Does the government subsidize the Canadian Council for Research on Education and, if so (a) for how many years (b) through what department (c) what amounts were granted in 1971, 1972 and 1973 (d) did the government make a grant as capital for the Council at the time it was created or at some later stage of its development?

Hon. James Hugh Faulkner (Secretary of State): In 1971 the Canada Council gave a grant of $1,637 to the Canadian Council for Research on Education for the organization of a conference on future co-operation among Canadian education organizations.

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE PERSONNEL IN RECEIPT OF REMUNERATION IN EXCESS OF $20,000

Question No. 136—**Mr. Herbert:**

How many public servants in the Department of Industry, Trade and Commerce received T4 slips for 1973 showing gross remuneration in excess of (a) $20,000 (b) $30,000 (c) $40,000?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): (a) 562; (b) 48; (c) One.

DEPARTMENT OF NATIONAL DEFENCE PERSONNEL IN RECEIPT OF REMUNERATION IN EXCESS OF $20,000

Question No. 146—**Mr. Herbert:**

How many public servants in the Department of National Defence received T4 slips for 1973 showing gross remuneration in excess of (a) $20,000 (b) $30,000 (c) $40,000?

Hon. James Richardson (Minister of National Defence): (a) Over $20,000—378; (b) Over $30,000—19; (c) Over $40,000—Two.

NATIONAL DEFENCE—STRENGTHS, 1972, 1973 AND 1974

Question No. 215—**Mr. Howie:**

What was the number of (a) the authorized strength (b) the actual strength of the Armed Forces on January 1 in each year 1972, 1973 and 1974?

Hon. James Richardson (Minister of National Defence): 1. (a) Authorized strengths of the Canadian Armed Forces are established on the last day of the fiscal year. For the years in question authorized strength was as follows: March 31, 1972, 81,350; March 31, 1973, 82,320; March 31, 1974, 82,320; (b) On March 31 of the same years the actual strength was: March 31, 1972, 82,879; March 31, 1973, 81,443; March 31, 1974, 80,639. The actual strength of the Canadian Armed Forces on January 1 for the years in question was as follows: January 1, 1972, 83,339; January 1, 1973, 81,359; January 1 1974, 80,519.

NATIONAL DEFENCE—WINTER UNIFORMS

Question No. 233—Mr. Reynolds:

Is the winter uniform still issued to Armed Forces personnel, particularly those on northern duty and, if not, does the Minister of National Defence intend to re-issue same instead of a second lightweight uniform currently issued at such locations as Cold Lake, Alberta?

Hon. James Richardson (Minister of National Defence): Heavyweight dress uniforms of the current style of uniform have never been issued to Armed Forces personnel. However, heavyweight material can be purchased from Department of National Defence clothing stores by individuals who wish to have a uniform tailored privately. Thermal underwear and sweaters are issued to all male personnel and in addition those working outdoors are provided with heavyweight protective outer clothing.

Female personnel are issued with heavyweight jackets and skirts.

NATIONAL DEFENCE—REPAIRS AND CAPITAL COST IMPROVEMENTS TO MILITARY BASES IN CANADA 1971-72

Question No. 239—Mr. Hurlburt:

What is the dollar value of repairs and capital cost improvements to military bases in (a) British Columbia (b) Alberta (c) Saskatchewan (d) Manitoba (e) Ontario (f) Quebec (g) Prince Edward Island (h) Nova Scotia (i) New Brunswick (j) Newfoundland for the fiscal year 1971-72?

Hon. James Richardson (Minister of National Defence): The dollar value of repairs and capital cost improvements to military bases by provinces in Canada for fiscal year 1971-72 was as follows:

	Construction $	Maintenance $
(a) British Columbia	6,168,694	5,545,135
(b) Alberta	4,752,700	6,631,206
(c) Saskatchewan	486,192	2,000,876
(d) Manitoba	627,514	1,972,564
(e) Ontario	10,732,992	19,811,069
(f) Quebec	14,810,095	8,255,027
(g) Prince Edward Island	91,434	1,816,376
(h) Nova Scotia	6,659,784	8,852,674
(i) New Brunswick	3,769,695	4,130,584
(j) Newfoundland	284,983	285,897
	48,484,173	59,301,418

INDUSTRIAL DEVELOPMENT BANK—RATE OF INTEREST ON NEW LOANS

Question No. 253—Mr. Herbert:

1. During the last year for which figures are available, what was (a) the highest (b) the lowest rate of interest on new loans approved by the Industrial Development Bank?

2. What was the average rate of interest on all new loans in this same period?

Hon. John N. Turner (Minister of Finance): 1. (a) Highest, 13.5%; (b) Lowest, 9.5%.

2. Average, 11.29%. The above figures apply to the bank's fiscal year ended September 30, 1974.

CENTRAL CANADIAN DISTILLERS LTD.—WEYBURN, SASKATCHEWAN

Question No. 285—Mr. McKinnon:

Has a distillery known as Central Canadian Distillers Ltd. of Weyburn, Saskatchewan (a) recently been sold to American interests (b) been the recipient of Department of Regional Economic Expansion grants or loans and, if so (i) how much (ii) is the government taking any steps to recover such loans or grants?

Hon. Mitchell Sharp (President of Privy Council): I am informed by the Foreign Investment Review Agency and the Department of Regional Economic Expansion as follows: (a) Control of Central Canadian Distillers Ltd. of Weyburn, Saskatchewan was acquired by L.J. McGuiness and Co. Ltd. of Toronto late in 1973 and reported in the Toronto *Globe and Mail* on February 16, 1974. L.J. McGuiness and Co. Ltd. was acquired in 1970 by Standards Brands Limited of Montreal which in turn is controlled by U.S. interests; (b) The company has been the recipient of a grant from the Department of Regional Economic Expansion: (i) the grant totalled $603,911 and was provided under the authority of the Regional Development Incentives Act; (ii) no steps are being taken to recover the grant since the sale of the shares of Central Canadian Distillers Corporation Ltd. occurred after the expiry of the legally authorized control period. The incentive offer was accepted by the company in March, 1970, and the facility brought into commercial production on May 31, 1971.

INCOME TAX ACT—DEDUCTION FOR EXPENSES INCURRED IN THE PURCHASE OF NEW HOME

Question No. 369—Mr. Dick:

Is the government considering a change in the regulations under the Income Tax Act to allow a person to claim a deduction under the title of moving expenses, being legal expenses for purchasing of a new home?

Hon. John N. Turner (Minister of Finance): A number of requests have been received from the public urging an amendment to the Income Tax Act to give a deduction for expenses incurred in the purchase of a new home. These requests are receiving careful study. However, as such an amendment would be a budgetary matter, it would be improper to indicate whether or not such an amendment will in fact be proposed.

COMPANIES HELD BY CANADA DEVELOPMENT CORPORATION AND CROWN CORPORATIONS

Question No. 379—Mr. Rynard:

1. What are the names of the companies owned by the Canada Development Corporation and what is the percentage of control for each company?

2. What is the amount of holdings of Connlab held by the Canada Development Corporation and what was the net profits of this Company for the years 1970, 1971, 1972 and 1973?

3. How much stock of the Gulf Oil Company is held by the Canadian Development Corporation?

Order Paper Questions

4. What was the cash value of all companies held by Crown corporations (a) on date of purchase (b) as of October 1, 1974?

Hon. John N. Turner (Minister of Finance): 1. As of December 31, 1973: Polysar Limited, 100 per cent; Texasguld Inc., 30.4 per cent; Connlab Holdings Limited, 100 per cent; Venturetek International Limited, 35 per cent; Ventures West Capital Ltd., 49 per cent; Innocan Investments Ltd., 40 per cent; Gas Arctic—Northwest Project Study Group, 3.7 per cent.

2. The CDC formed Connlab Holdings Limited in June 1973 with initial resources of $35 million. At December 31, 1973, the last fiscal year-end, Connlab's assets amounted to $69.5 million. Connlab registered a profit of $41,000 in 1973.

3. None.

4. (a) Not available. Some companies held by Crown corporations were established by them and thus on the date of incorporation had no cash value (e.g. Air Canada's subsidiary Airtransit Canada Ltd., a number of subsidiaries of CN such as Canac Consultants Limited). Other companies held by Crown corporations were acquired as the result of their business failure where the government had guaranteed all or part of their debts (e.g. Canadian National Railways holds in trust the government's investment in the Canadian government railways, such as the Inter Colonial). It is not feasible at this time to make an appraisal of the value of an asset acquired, in some instances, (b) Not available. Since a cash value is the amount a willing purchaser would pay a willing seller, it can only be obtained by either calling for tenders if the company is to be sold or by having an appraisal estimate made by a qualified appraiser.

CIRCULATION AND CULTURAL INFLUENCE OF "READER'S DIGEST"

Question No. 393—Mr. Herbert:

1. Is the government aware that the annual circulation of *Sélection du Reader's Digest* is up to three million?

2. Does the government have any concern about the cultural influence of the magazine and has it met with representatives of the Government of the Province of Quebec to discuss this matter?

3. Are there other magazines of such circulation in the Province of Quebec?

Hon. James Hugh Faulkner (Secretary of State): 1. According to a statement of the Audit Bureau of Circulation which appeared in the November 1974 issue of Canadian Advertising Rates & Data, the average monthly circulation of *Sélection du Reader's Digest* for the second half of 1973 was 268,772 copies. This would indicate that its annual circulation is up to 3 million.

2. (a) Yes, the government is concerned about the cultural influence of this magazine. (b) No, it has not met with representatives of the government of the province of Quebec to discuss this matter.

3. Yes there are other magazines of such circulation in the province of Québec: namely Châtelaine (French language edition) at 248,612, and Famille d'aujourd'hui at 220,350. These figures were taken from the same source as cited in reply to Part 1.

[Mr. Rynard.]

OLYMPIC COINS

Question No. 407—Mr. Lachance:

Do any banks, acting under orders from the Bank of Canada, refuse to honour the Olympic Coins having a legal tender below $20 and, if so, does the government intend to correct this situation which could create anxiety among the numismatists of the world and among Canadian taxpayers in general?

Hon. John N. Turner (Minister of Finance): The Bank of Canada has not issued any orders to banks to refuse to accept Olympic coins.

UIC—TRAVEL EXPENSES FOR REGIONAL DIRECTORS

Question No. 435—Mr. Ellis:

What were the travel expenses for the Regional Director (Director General) (a) Quebec (b) Ontario of the Unemployment Insurance Commission for 1972 and 1973?

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): 1972: Ontario, $5,775; Quebec, $1,983; 1973: Ontario, $4,966; Quebec, $2,106.

UIC—REMOVAL OF STAFF FROM BELLEVILLE, 1973-74

Question No. 436—Mr. Ellis:

What staff were removed by the Unemployment Insurance Commission from Belleville in 1973 and 1974 to date?

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration):

	1973	1974 (to October 30)
Removal out of Belleville (including promotions)	36	14
Removal into Belleville (including promotions)	27	18
Released on Probation	0	0
Released for Incapacity of Incompetence	0	0
Termination of term (casual) employment	105	40

INCOME TAX DEDUCTION COVERING WAGES PAID TO A FARMER'S SPOUSE

Question No. 512—Mr. Hnatyshyn:

Is the government giving consideration to allowing a farmer to deduct, for income tax purposes, wages or salaries paid to the farmer's spouse for work done in connection with the farming operation?

Hon. John N. Turner (Minister of Finance): The government in the past had considered permitting an unincorporated farmer as well as a small commercial businessman to deduct wages paid to his spouse for demonstrably useful labour, and to allow the wife to report this income. While such a deduction is fair in principle, it was determined that the establishment of the validity of the claim would give rise to administrative difficulties. An unwarranted splitting of income would be unfair and would give rise to tax avoidance. It is to be noted that a farm which is incorporated can pay a salary to any employee including the wife of the owner. It should be realized of course that

an individual farmer with low income has lower tax rates than corporations and is entitled to special averaging provisions.

UIC—USE OF COMPUTERS TO PROVIDE STATISTICS ON NUMBER OF BENEFICIARIES

Question No. 546—**Mr. Herbert:**

Is it the intention of the government to revise the conputer systems used by the Department of Manpower and Immigration to provide up-to-date information on (a) the precise number of persons drawing unemployment benefits (b) the number included in this total who are drawing (i) sickness benefits (ii) maternity benefits (c) the number of persons whose eligibility period for benefits has expired?

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: Statistics Canada is the official source of statistics on the operation of the Unemployment Insurance Act. Negotiations between Statistics Canada and the Unemployment Insurance Commission are currently under way to specify the precise computer systems requirements for the publication of statistics on the actual number of beneficiaries of the various types of benefits under the program and termination of claims. These data can be expected to appear in Statistics Canada's publications in 1975.

INCOME TAX—CONSIDERATION OF DEDUCTION OF TAX FOR SMALL FARMER

Question No. 577—**Mr. Herbert:**

Will the Minister of Finance consider financial assistance to the small farmer by premitting a limited direct deduction from federal taxes of paid municipal and school taxes?

Hon. John N. Turner (Minister of Finance): Farmers like businessmen may deduct municipal and school taxes paid from their income to the extent that these are a business and not a personal expense. Therefore, no consideration is being given to provide a direct deduction from federal taxes.

CHARTERED BANKS

Question No. 579—**Mr. Herbert:**

1. Are chartered banks prevented by the Bank Act from acting in a fiduciary capacity?

2. Has the Minister of Finance received any indication that banks exercise control in such a capacity over pension funds and the funds of other investors?

Hon. John N. Turner (Minister of Finance): 1. It would be deemed beyond the powers of a bank under the Bank Act to act in a fiduciary capacity.

2. No.

SMALL BUSINESSES LOANS ACT—AMOUNT OF LOANS

Question No. 611—**Mr. Herbert:**

1. What was the maximum rate of interest that was determined on October 1, 1974 under the small Businesses Loans Act?

2. How much money was lent under this Act in July and August of this year?

Hon. John N. Turner (Minister of Finance): 1. The maximum rate of interest was 10 per cent.

2. In July $1,897,537 and August $1,756,760 was lent under the Small Businesses Loans Act. (Figures are as reported by lenders up to October 18, 1974).

MIDWESTERN ONTARIO—BRUCE PUBLIC TRANSPORT STUDY

Question No. 623—**Mr. Beatty:**

1. What was the cost to the Canadian Transport Commission of the survey of individuals in Southwestern Ontario described in the third part of the Midwestern Ontario-Bruce Public Transport Study?

2. What was the purpose of identifying respondents in the survey by electoral district?

3. On what date was a copy of the report first transmitted by CTC to the Minister of Transport?

Hon. Jean Marchand (Minister of Transport): 1. The total cost to the Canadian Transport Commission of the survey of individuals in midwestern Ontario was $29,300. It was made up of the following elements: Fieldwork, $19,600; Data processing, $4,750; Administration, co-ordination, questionnaire designs, etc. $4,950.

2. Respondents in the survey were identified by Census Enumeration Areas (the smallest rural statistical geographic unit for which census information is available, thereby providing the best basis on which to locate respondents and conduct analyses). The coding numbers for enumeration areas are duplicated within electoral districts; therefore the electoral districts must be known to identify the enumeration area and hence the respondent.

3. A copy of the third part of the study was first transmitted to the Minister of Transport on April 24, 1974.

FREIGHT RATE FREEZE

Question No. 675—**Mr. Horner:**

In the freight rate freeze that was announced at the Western Economic Conference (a) what was the total amount paid to the transportation companies because of the freeze (b) how much did each company receive (c) were these companies subsidized under the same formula as the Freight Rate Reduction Act and, if not, what formula was used?

Hon. Jean Marchand (Minister of Transport): (a) The total amount paid to the transportation companies because of the freeze is $40,689,251.45 in accounts of year 1973. (b) The following companies received the following amounts: Canadian National, $27,000,000.00; Canadian Pacific, $13,000,000.00; Ontario Northland Transportation Co., $51,526.00; Northern Alberta Railways Co., $634,536.00; Napierreville Junction Railways, $3,189.45; Total, $40,689,-251.45. (c) No, they were paid in respect of lost revenues.

MONCTON, N.B.—RAIL RELOCATION

Question No. 678—**Mr. Jones:**

1. Has the Canadian Transport Commission received an application from the City of Moncton for rail-line relocation and, if so, what steps have been taken to act on the application?

2. What financial assistance is available to the City of Moncton for rail-line relocation?

Order Paper Questions

Hon. Jean Marchand (Minister of Transport): 1. An application to give notice that the city of Moncton was desirous of taking advantage of the proposed legislation previously announced was submitted in the form of a resolution by the city of Moncton in 1972. No supplementary application amplifying the resolution or further application has been received by the CTC.

2. Financial assistance is available under the Railway Relocation and Crossing Act for: (a) Preparation of the transportation plan and the urban development plan. The act provides for a grant of 50 per cent of the cost from the Ministry of Transport for the transportation plan and 50 per cent of the cost from the Ministry of State for Urban Affairs for the urban development plan. (b) Railway relocation. The grant shall not exceed 50 per cent of the net cost of railway relocation and this grant is authorized by the Minister of Transport. In addition to this grant the act provides for assistance from the railway grade crossing fund for grade separations which may be required.

CONSTRUCTION OF POST OFFICES IN NOVA SCOTIA

Question No. 686—Mr. MacKay:

1. In what areas of Nova Scotia have standard revenue post offices been constructed during the past eight years?

2. By community, what has been the annual revenue for these post offices?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): 1. In the following constituencies: Annapolis Valley, Cape Breton-East Richmond, Cape Breton Highlands-Canso, Central Nova, Cumberland-Colchester North, South Shore, South Western Nova.

2. The communities and available annual revenue figures are indicated on the attached list.

	Annual Revenue							
Community	1967	1968	1969	1970	1972	1972	1973	1974
Ellershouse	1,688	1,743	1,895	2,008	2,379	2,770	3,044	Revenue
L'Ardoise	866	825	1,824	2,117	3,033	3,821	4,276	figures
Judique	1,196	2,184	2,329	3,022	4,056	4,884	5,500	not available
Iona	2,139	1,997	1,870	2,379	2,887	3,734	11,849	
Larry's River	1,179	1,347	1,403	3,642	5,829	7,377	8,032	
St. Andrews	1,204	1,226	1,213	1,453	1,757	2,273	2,676	
Hopewell	2,358	2,373	2,598	2,601	3,028	3,531	3,947	
Mosers River	2,378	2,764	2,804	4,155	7,162	9,036	9,864	
Upper Musquodoboit	3,838	3,832	3,787	3,811	4,984	6,325	6,912	
Port Howe	1,337	1,339	1,041	1,156	1,713	2,404	2,366	
Barss Corners	2,495	2,591	3,211	4,215	4,262	5,435	5,315	
Port Mouton	880	1,504	1,965	2,097	2,747	3,236	3,440	
Tancook Island	1,196	1,309	1,422	1,491	1,992	2,265	2,487	
Arcadia	2,328	2,488	2,140	3,058	4,357	4,884	6,048	
Barton	1,244	1,392	1,573	1,706	1,853	2,203	2,529	
Middle West Pubnico	1,580	1,723	1,864	2,009	3,223	4,294	4,940	
Salmon River	2,012	2,074	2,328	2,569	3,394	4,074	4,935	
Shag Harbour	2,078	2,313	2,438	2,775	4,414	5,469	5,993	
Lower East Pubnico	1,459	1,628	1,528	1,539	3,475	4,599	5,182	

CARPETING OF TERMINAL 2 TORONTO INTERNATIONAL AIRPORT

Question No. 697—Mr. Stevens:

1. (a) How many acres of carpeting have been laid within Terminal Number 2 at Toronto International Airport (b) is more carpeting planned and, if so, how much and on what date will it be laid?

2. What was the aggregate cost and the cost per square foot of the carpeting laid?

3. Who manufactured the carpeting and the underpadding and, in each case, was it entirely a Canadian product?

4. Was the carpeting and underpadding purchased directly from the manufacturers and, if not, who were the middlemen and what commission, mark up or other remuneration did they receive in the aggregate and on a square foot basis?

5. Who laid the carpeting and underpadding and what was the aggregate cost and the cost per square foot for such work?

6. (a) Were tenders called for and bids submitted (b) was any contract let to other than the lowest bidder and, if so, for what reason (c) who, by name and address, were the lowest bidders and what were their bids?

Hon. Jean Marchand (Minister of Transport): 1. (a) 5.4752 acres of carpeting have been laid in terminal No. 2. (b) Additional carpeting is planned in the public arrivals area, and is to be laid in 1977. Approximately 11,000 sq. yds. will be required.

2. The aggregate cost of the carpeting laid is $441,490, (tender price plus supervision and consultant's design fees). The cost per square foot is $1.63.

3. The carpeting was manufactured by Kraus Carpet Mills Limited, 565 Conestogo Road, Waterloo, Ontario. The fibre was produced by Dupont of Canada in Kingston and was fibre rufted and space dyed by Kraus in Waterloo, Ontario. No underpadding was used.

4. No. The tender price of $416,400 from the Robert Simpson Company Ltd. included the cost for the supply and installation of the carpet.

5. The Robert Simpson Company Limited laid the carpeting at an aggregate cost of $416,500. This cost is all inclusive. The rate per square foot is $1.54.

6. (a) Yes. (b) no; (c) (1) The Roberts Simpson Company Limited, 49 Gerbais Drive, Don Mills, Ontario, $416,-500; (2) Precision Contract Interiors Limited, O/A Precision Contract Carpet, 153 Bridgeland Avenue, Toronto, Ontario, $461,000.

PUBLIC SERVANTS—TRANSFERS AT PUBLIC EXPENSE

Question No. 730—**Mr. Herbert:**

1. Is a public servant from a distant city, who enters and wins a competition for a position in the National Capital Region, transferred at public expense?

2. Is a public servant in the National Capital Region ineligible to enter a similar competition in a distant city by reason of transfer costs?

Hon. Jean Chrétien (President of Treasury Board): 1. Yes, paragraph 1.04 of the Treasury Board Relocation Directive, December 1973 states: "When an employee is transferred or his place of duty is changed to another location and, in the opinion of the deputy head, payment of part or all of an employee's relocation expenses is warranted, the deputy head may authorize a relocation under the terms of this directive." Paragraph 1.05 states in part: "Once a relocation has been authorized; (a) the employee shall be reimbursed his reasonable and justifiable relocation expenses.—" Paragraph 1.07 states: "Where a relocation results from a transfer between departments, the cost shall normally be borne by the receiving department. However, costs may be shared by the receiving and sending departments where it is to their mutual advantage and prior arrangements have been made."

2. No, a public servant anywhere may enter any competition.

NEW COMPANIES AND CORPORATIONS

Question No. 768—**Mr. Stevens:**

1. In each year since 1950, what was the number of new companies or corporations incorporated, first under federal jurisdiction and second under provincial jurisdiction?

2. How many active incorporated companies or corporations were there as of March 31, 1963, 1973 and 1974 and, in each year, how many were incorporated under federal provincial or foreign jurisdictions?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): 1. Statistics regarding new provincial corporations have not been regularly maintained by the government of Canada; however, the following figures for new corporations were supplied by provincial authorities for the fiscal year ending March 31, 1973: Newfoundland, 563; Nova Scotia, 1,097; Prince Edward Island, 200; New Brunswick, 949; Quebec, 8,450; Ontario, 12,489; Manitoba, 1,206; Saskatchewan, 985; Alberta, 4,642; British Columbia, 9,422; North West Territories, 93; Statistics regarding new federal corporations have been maintained only for fiscal years ending March 31: 1954, 876; 1955, 879; 1956, 883; 1957, 816; 1958, 788; 1959, 864; 1960, 941; 1961, 878; 1962, 865; 1963, 852; 1964, 917; 1965, 897; 1966, 1,018; 1967,1,085; 1968,1,207; 1969, 1,552; 1970, 1,797; 1971, 1;897; 1972, 1,678; 1973, 2,116; 1974, 2,481.

2. Statistics regarding active provincial or foreign corporations are not maintained by the government of Canada. Statistics regarding active federal corporations are available only as at March 31: 1974, 24,982; 1973, 22,501.

CAPACITY OF PAPER AND PAPERBOARD PLANTS

Question No. 791—**Mr. Caouette (Témiscamingue):**

What is the total estimated maximum capacity of existing plants in Canada, both in service and idle, for the production of (a) neswprint paper (b) book and writing paper (c) wrapping paper (d) paperboard (e) other paper products?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The 1974 total productive capacity of existing paper and paperboard plants in Canada, both in service and idle, is as follows: newsprint paper, 10,560,000 short tons; book and writing paper, 1,275,000 short tons; wrapping paper, 700,000 short tons; paperboard, 2,658,000 short tons; other paper products, 1,175,000 short tons.

CANADIAN NATIONAL (WEST INDIES) STEAMSHIPS LTD.

Question No. 820—**Mr. Stevens:**

1. As of March 31 in each year 1968, 1970, 1972 and 1974 (a) how many were employed by Canadian National (West Indies) Steamships Ltd. (b) what would have been their aggregate salaries if all were employed for a full year (c) how many had salary levels of (i) $20,000 or more (ii) $35,000 or more (iii) $50,000 or more?

2. What was the salary or the salary range for each of the five highest paid employees of the Corporation.

Hon. Jean Marchand (Minister of Transport): As of March 31, 1968, 1970, 1972 and 1974. 1. (a) Canadian National (West Indies) Steamships Ltd. was an inactive company which had no employees; (b) Not applicable; (c) Not applicable.

2. Not applicable.

COMPUTER SERVICES FOR NORTHERN TRANSPORTATION COMPANY LTD.

Question No. 867—**Mr. Andre (Calgary Centre):**

1. Does Boeing Computer Services of Seattle perform the administrative computer services for Northern Transportation Company Limited?

2. Are all of the results of the Travacon Study of Transporation in the North commissioned by the government stored in this Seattle based computer facility?

Hon. Jean Marchand (Minister of Transport): The Northern Transportation Company Limited advises as follows: 1. No.

2. No.

ORAL QUESTION PERIOD

[*English*]

MANPOWER

LOCAL INITIATIVES PROGRAM—APPROVAL OF GRANTS BY TREASURY BOARD

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for either the President of the Treasury Board or his predecessor, the Minister of Public Works. Has the procedure adopted by the Department of

Manpower and Immigration for the approval of LIP grants, which includes among other things provision that no grant will be approved without the approval of the so-called regional minister, received approval of Treasury Board?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, of course the administrative procedures are always approved by the Treasury Board.

[*English*]

Mr. Andras: Mr. Speaker, I rise on a point of order. The implication of the words—I am sure it was inadvertently given—of the Leader of the Opposition, that this is a matter of procedure, is in fact incorrect. As I have indicated in this House and publicly, and will continue to indicate, we have sought a wide-ranging consultation about the appropriateness of particular projects as to whether they should or should not be approved. We included a reference to ministers in different parts of the country as well as to members in different parts of the country. While ministers are all members of the particular party which forms the government, hon. members are members of all parties on all sides of the House. That consultation, I think, was totally legitimate in the sense we wanted to be sure that the projects, to the best of our ability, were in fact meeting the needs of the community to which they were assigned, as well as providing employment.

Some hon. Members: Hear, hear!

Mr. Stanfield: On the point of order, Mr. Speaker, I based the question relating to procedure on a memorandum prepared for the Minister of Manpower and Immigration by his deputy minister. I quote from page 2: "No project is approved without the concurrence of a regional minister." I ask the President of the Treasury Board when it was reported by the Auditor General that LIP grants to the extent of many thousands of dollars had resulted in benefiting private property and whether Treasury Board inaugurated inquiry into procedures being followed with regard to the authorization of LIP grants.

● (1430)

[*Translation*]

Mr. Chrétien: Mr. Speaker, I asked the officials of my department to prepare a statement on the Auditor General's comments. They should give an account of every case he raised, and if need be we will remedy the situation.

[*English*]

Mr. Stanfield: In view of the fact that the Auditor General made a complaint to the government over a year ago and received certain undertakings from the government with regard to this matter, can the President of the Treasury Board assure me that investigations were made by Treasury Board to ascertain how in fact these moneys have been used for the benefit of private properties and to ensure that no further such authorizations will take place?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I cannot report to the Leader of the Opposition on this particular point. I shall look into the matter and report to him later. The problem has not been drawn to my attention in these terms.

[Mr. Stanfield.]

[*English*]

LOCAL INITIATIVES PROGRAM—REQUEST FOR GOVERNMENT INVESTIGATION INTO OPERATION

Mr. Tom Cossitt (Leeds): I have a question for the Prime Minister. In light of documents revealing that the process of consultation on LIP applications with members of the House generally was superseded by a special process of clearance by key ministers and Liberal members, would the Prime Minister tell us whether the government will set up a full investigation and public inquiry into the operations of the LIP program; and also would he tell the House whether, in view of serious misinformation given on this subject by the Minister of Manpower, he has requested that minister's resignation?

Right Hon. P. E. Trudeau (Prime Minister): I do not admit the premise of the question, and therefore I reject the conclusions.

Mr. Cossitt: A supplementary to the Minister of Manpower and Immigration. In the winter of 1972-73, as stated by Mr. Des Roches, Deputy Minister of Manpower and Immigration, in a memorandum of January 25, 1973, did certain regional ministers have the power of final approval over LIP applications? Was a special information group set up in the hon. gentleman's office to act as a clearing-house to hear representations from regional ministers and Liberal members? Finally, was the Minister of Energy, Mines and Resources the minister designated to approve Ontario projects?

Mr. Andras: No minister was given authority to veto or to approve LIP projects in 1972-73, 1973-74 or, as far as I am concerned, in 1974-75 except the minister responsible, who happens to have been me in the last two years. The consultation process which I described a few minutes ago is the fact of the matter, and I see nothing wrong with that.

Some hon. Members: Hear, hear!

Mr. Cossitt: On a point of order, Mr. Speaker. Every member of the House should have the right to stand on a point of order at this point and object to continued inaccurate and misleading information being given in this chamber by the minister of manpower when documents from his own department prove he is not telling us the facts. I think it is a disgrace that the minister should tell us that what these documents say and what his officials say is not the case.

Mr. Speaker: Order. The hon. member knows well that the ground covered by his point of order has been covered several times. Complaints about the quality of answers received do not constitute points of order. Complaints about inaccuracies, if those inaccuracies are alleged to have been deliberate, should be accompanied by a specific charge, the consequences of which we all know.

ENERGY

OIL—GOVERNMENT ACTION TO ENSURE CONTINUED EXPLORATION TO MEET FUTURE NEEDS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I wish to address a question to the Minister of Energy, Mines and Resources regarding announcements by some of the subsidiaries of United States' oil companies operating in Canada that they intend to reduce their expenditures on exploration for oil. The minister has characterized these statements as blackmail, and quite properly so in my opinion. What steps does the government intend to take to ensure that oil exploration in Canada shall continue at a rate sufficient to meet the needs of the country in 1982 and 1983 when, according to the National Energy Board, we shall face a critical situation?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The budgetary measures announced by the Minister of Finance are an indication of the room to move made available to the oil industry, in a financial sense, so that it can carry on its exploration. It seems to me that the timing and manner of the announcement on the part of the various companies was unwise.

ATHABASCA, ALBERTA—GOVERNMENT PARTICIPATION IN TAR SANDS PROJECT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question. Having regard to statements by Imperial Oil and Gulf Oil that they are re-examining their financial commitment with respect to the construction of the Syncrude plant in the Athabasca oil sands, does the minister intend to ensure the construction of this and other oil sands' projects through public participation or in conjunction with the provinces and any of the oil companies which are willing to participate? Does he intend to take any action to ensure that in 1982 or 1983 the forecast of the National Energy Board that oil will be forthcoming from the oil sands will in fact be realized?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): We have no policy specifically directed at federal investment in the oil sands. The provincial government of Alberta, which has full responsibility in this area, has been at no little pains to state that federal participation is not welcome.

OIL PIPELINE SARNIA-MONTREAL—RESULT OF DISCUSSIONS WITH COMPANY REGARDING CONSTRUCTION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Last week the minister said discussions with Interprovincial Pipe Line regarding construction of a pipeline from Sarnia to Montreal had reached a stalemate and he was making certain recommendations to his cabinet colleagues. Has any decision been arrived at and, if not, can he tell us how soon an announcement will be made regarding this project? When is it contemplated that construction will begin?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): A decision has not yet been made. I would hope that within a week one will have been reached.

SASKATCHEWAN COURT RULING ON OIL ROYALTIES—INQUIRY WHETHER GOVERNMENT INTENDS TO APPEAL

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is on the same subject and is addressed to the Minister of Justice. It arises from the negative decision handed down by the Queen's Bench Court Bench in Saskatchewan on the claim of a plaintiff that high royalties imposed by a province interfered with the rights of the federal government in connection with interprovincial trade. Does the minister plan to appeal this decision or to help the plaintiff in this case—an oil company—to appeal to a higher court?

Hon. Otto E. Lang (Minister of Justice): It is anticipated that an appeal will go forward, and because of the importance of the constitutional issue involved, we would expect to intervene.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Has the minister, or have any of his officials, made any contact with the oil company up to this point?

Mr. Lang: There may well have been discussions. I would have to check into these details and report to the hon. member.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—REGIONAL MINISTERS' IMPACT ON PROJECTS PUT FORWARD BY MEMBERS OF PARLIAMENT

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I should like to return to the LIP matter and ask the minister of manpower whether those members of parliament who set up advisory groups and tried to work with his department to get programs approved were told, as a matter of courtesy, that their representations would be subject to review, appraisal or veto—whatever word the minister likes to use—by a regional minister, whatever that term may mean?

Hon. Robert K. Andras (Minister of Manpower and Immigration): In the early 1972-73 programs there were no constituency advisory groups. There was an arrangement for consultation within communities which people selected, for the most part, by members of my department. This was good, as far as it went. But I established advisory groups in 1973 and have carried the system on, and members who decided to go along with it were given an opportunity to recommend appointments. So the position has changed considerably in the last two or three years.

● (1440)

Mr. Fairweather: Mr. Speaker, that is a very interesting answer to a question I did not ask. Were members of parliament informed of the review by regional ministers, or were they not?

Mr. Andras: Mr. Speaker, the reviews by ministers in various locations in this country were not on a formal basis in that they did not have the power of veto, so it is not relevant.

* * *

CONFLICT OF INTEREST

INQUIRY WHETHER MINISTERS TRANSFERRED ASSETS TO SPOUSES WHEN GUIDELINES ISSUED

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the right hon. Prime Minister. Can he assure this House that, during the time he gave his ministers to put their affairs in order in relation to the conflict of interest guidelines—

An hon. Member: Order.

Mr. Grafftey: Just be quiet.

Some hon. Members: Oh, oh!

Mr. Grafftey: They are obviously very sensitive, Mr. Speaker. Can the Prime Minister assure the House that no minister transferred to his or her spouse assets which, if held by the minister in question, would put him or her in conflict of interest under the rules of the guidelines?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I have not investigated that possibility.

HOLDINGS OF MINISTERS' SPOUSES—KNOWLEDGE OF PRIME MINISTER AFTER MAKING PERSONAL INQUIRIES

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I should like to come back to a question which the Prime Minister neglected to answer the other day. I ask him now whether he has made any personal inquiries into the holdings of spouses of ministers, or into the contents of frozen trusts of ministers, so that he personally as head of the government may now be aware of any conflicts that may exist?

Right Hon. P. E. Trudeau (Prime Minister): In the case of frozen trusts, Mr. Speaker, the answer is yes. In the case of the spouses of ministers, the answer is no except in so far as ministers in some cases did consult me about certain private businesses which their wives were involved in, or holdings which they were involved in, and told me about them.

Mr. Clark (Rocky Mountain): Mr. Speaker, in the case of that kind of consultation, or any consultation that resulted from th Prime Minister's invitation to his ministers in July, 1973, to meet with him to discuss any possibility of conflict, was there any condition or situation brought to his attention which might have involved a conflict of interest? Was there any such situation brought to his attention either through consultations or from information received from any other source and, if so, will the Prime Minister advise the House, first, if the conflict which might have existed has been resolved and, second, who were the ministers concerned?

[Mr. Fairweather.]

Mr. Trudeau: Mr. Speaker, I do not understand the question in so far as I do not know if it relates to holdings by spouses or by ministers. Perhaps the hon. member would rephrase his question.

Mr. Clark (Rocky Mountain): Mr. Speaker, I am interested in any kind of conflict of interest, whether it is a conflict in respect of a direct interest held by a minister or a conflict in respect of an interest that might affect the minister because it is held by a spouse or any other person close to the minister. Has any evidence of a conflict been brought to the attention of the Prime Minister and, if so, what action has been taken as a result of that evidence; and, in each case, who was the minister concerned?

Mr. Trudeau: Mr. Speaker, in so far as potential conflicts are concerned, of course the whole purpose of the guidelines was to do away with such potential conflicts. I can say that I know of no actual conflict of interest. Of course, there were potential conflicts of interest under the general practices which have been followed for time out of mind by ministers and members of parliament, in so far as it was not prohibited under our rules or customs for ministers or members generally holding shares or public stocks. It is precisely because of potential conflicts of interest that I promulgated the guidelines and demanded of ministers that they depart themselves from the administration of such stocks or other forms of property.

REQUEST FOR IMMEDIATE REVIEW RATHER THAN AWAITING COMMITTEE CONSIDERATION OF GREEN PAPER

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the President of the Privy Council. In view of the necessity of having an immediate review of possible conflict of interest situations involving certain cabinet ministers, and the need for strengthening the guidelines laid down for cabinet ministers on July 18 and December 18 by the Prime Minister, will he indicate why he has chosen, in government business Item No. 7, to have the Standing Committee on Justice and Legal Affairs first consider the green paper on "Members of Parliament and Conflict of Interest", and then only after the committee has concluded its deliberations and submitted its report may it consider and make recommendations on the subject matter of ministers and conflict of interest?

Hon. Mitchell Sharp (President of Privy Council): Mr. Speaker, I have indicated the argument for this procedure before, but I will repeat it briefly. We are all members of parliament whether we are cabinet ministers or backbenchers. I think it is important, if we are to proceed in an orderly way, that we first of all decide, as members of parliament, what should be the rules in relation to conflict of interest. Upon that foundation we can improve the guidelines for ministers and public servants. I really believe that if we were to begin otherwise we would be asking members of parliament to look at the question of conflict of interest of ministers, or in relation to ministers, before they had searched their own consciences.

Mr. Stevens: Mr. Speaker, in view of the minister's reply and the fact that members of parliament are not privy to knowledge other than public knowledge, while cabinet

ministers have continuing, ongoing knowledge of matters not in the public domain and are taking actions daily of public interest, and in view of the fact that guidelines in respect of cabinet ministers currently do not cover the activities of their spouses, nor is there even full disclosure required, will the minister indicate whether he is at least willing to change the order of reference to the committee so that the guidelines in respect of cabinet ministers could be considered first and without delay?

Mr. Sharp: No, Mr. Speaker. I would say to the hon. member, through you, that at the present time there are no rules applying to private members of parliament such as apply to cabinet ministers. These rules now govern our conduct, whereas private members of the House of Commons are free of almost any restriction whatsoever. That is the reason my predecessor in office put forward the guidelines, which I hope will commend themselves to hon. members and others. I would just repeat what the Prime Minister has said: what have we to hide?

An hon. Member: What are you covering up?

Mr. Trudeau: What are you trying to hide?

* * *

AGRICULTURE

MILLABLE WHEAT SHORTAGE—ESTIMATE OF GRAIN FALLING INTO THIS CLASS

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in view of reports that millable wheat may have to be rationed among our customers, I should like to ask the minister in charge of the Wheat Board whether he has received from the Wheat Board an estimate of how much wheat falls into the millable class; and in view of large amounts of grade 3 and 3 utility can the minister say whether any of this wheat will be able to be put into the milling trade both in Canada and overseas?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, there is no question of rationing but, rather, of arrangements the Wheat Board may have to make in its selling program. In view of the amounts and qualities of wheat available—fairly large quantities of No. 1CW and 2CW, the usual milling grades—the Wheat Board has been analysing the lower grades to determine milling qualities and has recently found that because of markets and the lower prices, these may represent a desirable commodity.

Mr. Ritchie: Mr. Speaker, in view of the Canadian commitment of one million tons of food, can the minister say how much of this is expected to be wheat and what grade or category this would likely fall into?

Mr. Lang: Mr. Speaker, we would anticipate that the approximately one million tons would, in fact, be wheat in the ordinary course. The grade would depend upon the desires and tastes of the receiving countries and the arrangements which may be made between them and CIDA. I should say to the hon. member that in addition to the wheat which has already been committed for aid and for sale there is an additional quantity still available in respect of which further commitments can be made.

* * *

THE CANADIAN ECONOMY

LEVELLING-OFF OF GROSS NATIONAL PRODUCT—GOVERNMENT ACTION TO STIMULATE GROWTH

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in view of the fact that we have now gone through two quarters with zero growth rate in our GNP, the major component for this being slowdown in the export of manufactured goods—which indicates a failure of the government's program for two-year, fast write-offs to stimulate the economy—I ask the Minister of Finance whether he intends to introduce any new programs or proposals to stimulate the economy, and particularly manufacturing in this country?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman is right when he refers to the second and third quarter of this year as being two flat quarters after, I should draw to his attention, a period of very strong growth. We are now in a period of slower growth caused primarily by a fall-off in housing and exports, reflecting a stagnant international situation particularly in the economies of our three largest customers, the United States, Japan and the United Kingdom—in that order. It was because of that threat of a recession reflected by those factors that the stimulus was added to the 1975-76 fiscal year in the budget presented in this House two weeks ago.

● (1450)

STEPS TO DIVERT FUNDS TO JOB-INTENSIVE INVESTMENT TO CREATE EMPLOYMENT

Mr. Lorne Nystrom (Yorkton-Melville): I have a supplementary question, Mr. Speaker. In view of the fact that there is now an increase in unemployment, and one of the problems is that a great deal of investment is going into capital and machinery, I ask the minister whether he is considering any new measures to direct business capital into job-intensive, rather than capital-intensive investment for the sake of creating jobs and stimulating the economy.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, during the period to which the hon. member refers, regarding which he is disturbed about the two-year write-off, manufacturing employment increased substantially for the first time in several years. The total number of new jobs created by Canadians for Canadians in 1973 was 420,000 and in 1974 it was 380,000—over three-quarters of a million; in fact, over 800,000. As a result of these write-offs and the stimulus provided, new jobs for the three-year period ending in the next fiscal year should be well over one million. If the hon. gentleman would compare the growth of the economy in October in this country—about 4.6 per cent—he would see that the negative growth is about minus 3 per cent of the United States and perhaps he could then put his comments in perspective.

Mr. Speaker: The hon. member for Yorkton-Melville on a final supplementary.

Mr. Nystrom: Mr. Speaker, I am aware of the statistics the minister has enumerated before, such as on budget night, but the concern I have now is the slowdown in the last quarter. There is a slowdown in business capital expansion by corporations. I ask the minister whether we can expect any new programs that would encourage the corporations of this country to spend more money on labour-intensive industries than on capital-intensive industries.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, because of the risk of slowdown in the economy which is reflected in the current figures, the stimulus was added on budget night for the 1975-76 year. I did point out to the House on budget night that because of the current thrust in the economy for 1974-75 it is expected that business capital investment will be intensified. Later calculations which we have, thanks to the survey taken by my colleague the Minister of Industry, Trade and Commerce as late as July, and recent indications, show that business capital investment is holding up.

* * *

[*Translation*]

SOCIAL SECURITY

INQUIRY WHETHER SOCIAL SECURITY NUMBER WILL APPEAR ON FAMILY ALLOWANCE CHEQUES IN 1975—POSSIBLE INCREASE IN BENEFITS

Mr. Eudore Allard (Rimouski): Mr. Speaker, in the absence of the Minister of National Health and Welfare, I should like to put a question to his parliamentary secretary.

Will there be any changes in the family allowances cheques from January 1975, that is, will the social insurance numbers of parents or husband and wife appear on these cheques?

[*English*]

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I am sure there will be a change according to the cost of living index, so far as the family allowance is concerned, if the existing legislation is followed. So far as the second part of the question is concerned, I shall take notice of it.

* * *

PUBLIC SERVICE

STRIKE OF GRAIN INSPECTORS—GOVERNMENT ACTION TO ENSURE SUPPLY TO EASTERN CONSUMERS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to direct a question to the Minister of Labour arising out of the implications of the grain inspectors' strike and the availability to eastern consumers of western grain. Would the minister agree that this is a very serious situation, and would he tell us what steps he is taking in view of the closing of the Seaway, which complicates the problem, to settle the dispute in a fair and equitable manner so that eastern consumers will not be unduly affected?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, the hon. member may be aware that the President of the Treasury Board is responsible for the negotiations in respect to this particular dispute. I am sure that he will be pleased to answer the question.

Mr. Baker (Grenville-Carleton): Mr. Speaker, by way of a supplementary may I put the same question to the President of the Treasury Board? While the minister is on his feet, would he mind outlining to the House what measures he intends to take, or has taken, in respect of this matter?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I told the House last Friday that a mediator had been appointed on Thursday. He has met both parties and the negotiations are still going on. We hope that he will soon be able to bring the union and the government to an agreement. But there is not much we can do at this moment, since these workers have the right to go on strike under a legislation of the Parliament of Canada. Depending upon the report Mr. O'Connor will make to us within a few days, we shall see what other steps could be taken.

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[*English*]

TRANSPORT

GOVERNMENT PLANS TO FACILITATE GRAIN MOVEMENT THIS WINTER

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I direct a supplementary question to the Minister of Transport. Would the minister outline to the House what means he has taken, or what contingency plans he has, to facilitate the movement of grain this winter—particularly in view of the imminent closing of the Seaway—in order that eastern consumers will not find themselves in an undersupply situation? What specific plans does he have?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I do not think it would be in the public interest to reveal the plans we have at this stage.

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THE CANADIAN ECONOMY

MINISTER'S ESTIMATE OF RATE OF ECONOMIC GROWTH IN VIEW OF LEVELLING-OFF OF GNP

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. In view of the fact that there has been no growth in the last two quarters, is the minister revising his estimate of the rate of economic growth of the country, or is he sticking with the 4 per cent or 4½ per cent figure?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am still sticking with the estimate I gave of real

growth for the year 1974, of between 4 per cent and 4½ per cent. I should say to the hon. member that if the real growth were to be zero in the fourth quarter and no revisions take place in other quarters, the year over year growth for 1974 would still turn out to be 3.9 per cent.

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ADMINISTRATION OF JUSTICE

INVESTIGATION BY POLICE FORCES OF ALLEGATIONS MADE IN ONTARIO LEGISLATURE—POSITION OF FEDERAL MEMBERS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, in view of the fact that the Minister of Finance claims his is an open government, in relation to the various allegations made prior to July 8 and just recently respecting the hon. member for Hamilton East, my question to the Solicitor General is, can he tell us, of his knowledge, how many investigations either by the RCMP or other law enforcement agencies have taken place in respect of those allegations?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, as I mentioned last week following the charges made by Mr. Schulman, the Minister of Labour and the deputy minister requested an investigation. The RCMP were asked to investigate those charges. They did that. They went to see Mr. Schulman last week, and Mr. Kerr, and also visited the offices of the Toronto metropolitan police. Just as I came into the House I received an interim report from them: the investigation is still under way. That is the stage of the investigation so far.

Mr. Lawrence: I have a supplementary, Mr. Speaker. Could the Solicitor General inform the House if there have been investigations other than within the last 12 months in respect of the allegations made relating to the hon. member for Hamilton East?

Mr. Allmand: There was no investigation of allegations made against the hon. member for Hamilton East. The investigation that is being made is at the request of the Minister of Labour following the charges made by Mr. Schulman. So far as we know, the RCMP has no other investigation under way on this matter. It arose simply from allegations made by Mr. Schulman last week.

Mr. Lawrence: Nor have there been any.

Mr. Allmand: Not by the RCMP. I cannot answer for the OPP or the Toronto metropolitan police.

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[*Translation*]

MANPOWER

OFY AND LIP PROGRAMS—INQUIRY WHEN GOVERNMENT WILL ANNOUNCE NEW POLICY

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration.

Since unemployment in 1975 promises to be severe, especially for young people under 25, and that high school and university students are already quite concerned about the very serious difficulties with which they will very likely be faced when they seek employment next summer, can the minister advise the House whether the Opportunities for Youth Program, in its present formula, will be extended to 1975, or whether, in view of the well founded criticisms which have been levelled at the Opportunities for Youth and Local Initiatives Programs, we can expect his department to adopt a new procedure in this area and, if so, when will the minister be in a position to make public the new program decided upon?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the question having to do with a student summer employment program is under active consideration now. Announcement of the decision concerning our programs or the content thereof will be made shortly. I might also add, for the edification of the hon. member, the further report that the evaluation process with regard to the Opportunities for Youth Program and the Local Initiatives Program has indicated these have brought great benefits to the people concerned and to this country.

* * *

● (1500)

POST OFFICE

GOVERNMENT INVESTIGATION INTO CAUSES OF FIRES WHERE ARSON SUSPECTED

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is directed to the Postmaster General. I join in the praise given by the minister to both the Toronto police and fire departments for the efficient manner in which they brought last week's disastrous post office fire under control in that city. I ask the minister whether, because of the fact that initial investigations have determined the cause of the second fire at Bay and Front Streets to be of a deliberate nature and that arson has not been ruled out in the major fire, he could advise the House if there is any federal inquiry into this matter and, if not, is the minister now prepared to initiate such special federal inquiry?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, we are waiting for the report of the fire marshal in the city of Toronto to ascertain precisely the reason for the major fire.

Mr. Jelinek: I should like to ask the minister the following supplementary question. Because of the fact that the fires involved federal employees and took place in federal buildings, destroying or damaging thousands of pieces of mail which fall under the jurisdiction of the federal government, is the minister suggesting that no federal body or agency is involved in determining the cause of the fire?

Mr. Mackasey: No, Mr. Speaker, but at the same time we do not want to leave the impression that we have no confidence in the ability of the fire marshal of the province of Ontario.

Oral Questions

FINANCE

LOSS TO TRUCK DEALERS RESULTING FROM BUDGET—GOVERNMENT POSITION ON REIMBURSEMENT OF TAX

Mr. Gordon Towers (Red Deer): My question is supplementary to the one put on Friday by the hon. member for Edmonton West to the Minister of Finance. In view of the fact that truck dealers across Canada will lose approximately $20 million, amounting to $19,000 per dealer, due to tax policy changes announced in the budget if there is not a total refund of the tax already collected on trucks that are not sold, and the fact that dealers in Red Deer, like many dealers across Canada, will lose up to $25,000 each, will the minister guarantee to this House that all dealers will be reimbursed for tax paid?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have received many representations from members on all sides of the House about this particular item, and I intend to ask the government to provide relief from federal sales tax for tax paid inventories of trucks and other transportation equipment affected by the sales tax exemptions proposed in the November 18 budget speech. The relief, which would be provided by way of an order in council, would apply to inventories of new transportation equipment on which tax has been paid and which were being held for resale. This is a particular exemption because of the specialized nature of the equipment and because a good deal of equipment is custom built.

Some hon. Members: Hear, hear!

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EXTERNAL AFFAIRS

ROME FOOD CONFERENCE—EXTENT OF CANADA'S FINANCIAL ASSISTANCE TO DEVELOPING COUNTRIES

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Secretary of State for External Affairs. It concerns the Rome Food Conference and Canada's reallocation of $50 million in CIDA funds as a commitment at that conference for assisting developing countries to raise their agricultural production limits. Subsequently, I thought the Secretary of State for External Affairs made it clear in the House that the purpose of this allocation of $50 million was to assist the developing countries. However, on November 14 the minister replied to a question of the Leader of the Opposition and said that the $50 million had been set aside to purchase about 250,000 tons of grain for emergency food relief. My question therefore is: are there two $50 million commitments and, if not, is part or all of the one $50 million commitment being diverted from development assistance to emergency food assistance?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the commitment made at the Rome conference was to reallocate $50 million for the current year for purposes attached to the food conference itself. The package of programs is being put together at present and I hope to be able to advise shortly on the specific purposes for which that money is being diverted.

[Mr. Mackasey.]

Mr. Jarvis: With relation, then, to the minister's response on November 14 to the Leader of the Opposition regarding the $50 million that could be used to buy almost 250,000 tons of additional grain, is that a separate allocation entirely from that committed at Rome by the Canadian delegation?

Mr. MacEachen: I would have to check that exchange with the Leader of the Opposition, but I think in referring to that particular sum I was relating it to what could be done at present and the amount of grain it could purchase if it were totally directed to grain. Probably it was with reference to the same sum of money.

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INDIAN AFFAIRS

DEMONSTRATIONS ON PARLIAMENT HILL ON SEPTEMBER 30, 1974—REQUEST FOR INQUIRY INTO ALLEGED POLICE BRUTALITY

Mr. Andrew Brewin (Greenwood): My question is addressed to the Solicitor General. I understand that the Solicitor General last week received a brief from the Civil Liberties Association in the national capital region, supported by 16 other Civil Liberties Associations throughout the country and by the National Indian Brotherhood, the Native Council of Canada and the Innuit Tapirisat of Canada, concerning the incidents of violence which took place on Parliament Hill on Monday, September 30, 1974, and urging an independent inquiry. My question is whether in view of the detailed nature of the evidence presented and the request of these responsible organizations an independent inquiry will be held to determine whether, in fact, there was unnecessary violence on that occasion and, if so, who was responsible for it.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, it is true that I met with the head of the Civil Liberties Association for Ottawa last Thursday, I believe, and he had certain people with him supporting his brief. He gave me this brief, which was rather thick, containing many affidavits and documents. Following the meeting I referred it to officials for study. The study is not yet completed. In the brief he raised many questions and I told him that I would answer his questions as soon as possible.

Mr. Brewin: Will the minister be good enough to advise the House, when he makes up his mind, what response he will give to this request?

Mr. Allmand: Yes, Mr. Speaker.

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[*Translation*]

AGRICULTURE

FEED GRAINS—INQUIRY WHETHER STOCKS SUFFICIENT

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, the Minister of Agriculture being absent, I wish to direct my question to the Minister of Justice who is responsible for the Canadian Wheat Board.

In view of the contradictory news which has appeared in newspapers concerning the supply of feed grains in eastern Canada, can the minister advise the House whether the current stocks of feed grains in eastern terminals are sufficient to meet the needs of farm producers during the 1974-75 winter?

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, not enough grain is in position in eastern locations for domestic or export movement for the winter. Ordinarily, the volume of grain would be moving into these positions throughout the lakes and the Seaway; but that, of course, is not possible at present because of the grain inspectors' strike which is going on.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I would like to put a supplementary.

Can the minister promise this House that provisions will be taken in order to see to it that eastern Canadian farmers can be assured that sufficient supplies will reach them in time so as to avoid speculation which is already starting to take place in that region?

[*English*]

Mr. Lang: Mr. Speaker, I think that my best course at this point, while assuring the hon. member that we all attempt to look at all possibilities and avenues, is to join in the answer given a short while ago by my colleague, the Minister of Transport, to a similar question.

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[*Translation*]

PUBLIC SERVICE

FEED GRAINS—ADEQUACY OF MOVEMENT WHEN GRAIN HANDLERS' STRIKE SETTLED

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I would like to put my question to the President of the Treasury Board.

Owing to the difficulties encountered by the egg and poultry industry because of the grain inspectors' strike, would the government be willing to restore the grants program in operation last year when there was a railway strike, grants intended for feed-grain producers who are compelled to supply themselves from suppliers in other provinces, for instance?

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, we have not taken any definite decision on the plan to evade the difficulty. I take due note of the hon. member's suggestion but I am in no position to give him a reply right now.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I would like to ask a supplementary question.

Is the minister aware of the danger that this situation might easily degenerate to the point where Canadians might watch on television the nauseating spectacle of chickens dying by the hundreds, and maybe also dying cattle, for lack of feed?

Mr. Chrétien: Mr. Speaker, I am aware of this danger, but I am bound by the laws voted by Parliament, which gave to those employees the right to go on strike.

* * *

● (1510)

[*English*]

CANADA DEVELOPMENT CORPORATION

ROLE IN PROMOTING INDUSTRY IN SLOW GROWTH AREAS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce and concerns the role of the Canada Development Corporation in these depressed times. Is the minister taking steps to use the expertise and resources of the Canada Development Corporation to promote industries in the slow growth regions of the country—which in these days is practically all of the country—and, particularly, is he considering using this corporation to promote a coal and steel industry in eastern Canada? Does the minister consider this to be practical?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I will be pleased to draw this representation to the attention of the president of the Canada Development Corporation. The minister who reports to parliament for the corporation has also noted the representation.

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[*Translation*]

HOUSE OF COMMONS

CONGRATULATIONS TO MR. SPEAKER AND WIFE ON BIRTH OF DAUGHTER

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, before asking a question, may I express, on behalf of my colleagues and, certainly, on behalf of all members, our salutations and congratulations to you and to Mrs. Jerome on the occasion of the birth of your child. We hope she will bring as distinguished a contribution as her father's to the public affairs of Canada.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

ALLEGED SMUGGLING OF NARCOTICS INTO HAMILTON BY PLANE—REQUEST FOR REPORT

Mr. Sean O'Sullivan (Hamilton-Wentworth): My question is directed to the Solicitor General. I should like to ask about an investigation to be conducted by the RCMP into a matter which caused widespread concern in the Hamilton area and elsewhere over the weekend. I am referring of course, to the matter raised on Friday in connection with drug smuggling into Hamilton international airport. At that time the minister promised to give us a report. I wonder if he is now in a position to provide the House with that report.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, that question was put to me on Friday and I immediately referred it to the RCMP for investigation. I have not yet had a report.

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REGIONAL ECONOMIC EXPANSION

CONSIDERATION OF FORMER MINISTER TO BE APPOINTED PRESIDENT OF MAGI

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. Now that the number two slot has been filled in the MAGI organization, can the minister inform the House whether the former minister of industry, trade and commerce, the Hon. Jean-Luc Pepin, is being considered for the top post?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Unfortunately, no, Mr. Speaker. I say that because I am sure my colleagues would share the judgment that he would be an excellent man for the position.

Some hon. Members: Hear, hear!

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NATURAL RESOURCES

EXPORT OF FRESH WATER—GOVERNMENT POSITION

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, may I direct a question to the Prime Minister? In view of the renewed urgency of adopting a firm policy regarding the international use of Canada's fresh water supplies arising from the United Nations presentation to the World Food Conference which indicated that world demand for fresh water will increase by 240 per cent over the next five years, and in view of Canada's abundance of fresh water and the increasing world demand, is the government currently preparing a policy regarding the international use or the export of fresh water from Canada?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. Of course, the inventories of water supplies and their importance to Canada are part of a fund of knowledge being accumulated by the government; I would not want to say we know every detail of it—but there is no policy to export water from Canada.

Mr. Wenman: A supplementary question, Mr. Speaker. In view of the recent statements issued by the United Nations regarding the demand for fresh water, does the Prime Minister still hold the position that Canada would consider the sale of her fresh water "for good, hard cash"?

Mr. Trudeau: Mr. Speaker, I would not object to that. If we could bottle up some water and sell it at a high price, it would be a nice thing, if we could replace what we were selling by good, fresh rain.

An hon. Member: Put some Scotch in it.

[Mr. O'Sullivan.]

FISHERIES

REDUCTION OF CATCH IN MARITIMES—GOVERNMENT ACTION TO PREVENT INDISCRIMINATE FOREIGN FISHING

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Minister of Fisheries and concerns the fishing industry in Canada. According to statistics, codfish landings up to the end of August this year in the maritimes are down 24 per cent compared with the same period in 1973; redfish are down 57 per cent, sole and flounder are down 15 per cent, herring catches 16 per cent, and comparable reductions are evident for halibut, mackerel, hake and other species. In view of the problems caused by indiscriminate fishing on our Canadian offshore banks, will the minister consider holding a special conference now in Ottawa with Russia, Norway, Britain, Spain, Portugal, France , Germany, Poland and the United States to see if some positive action can be taken before our fishing industry is completely destroyed?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, while not debating the statistics given by the hon. member, I would remind him that these pessimistic figures are due in part to ice conditions and a strike in Newfoundland. That being said, I recognize that the catch is lower than we would want. I would also remind the hon. member that ICNAF, with all its imperfections, is still the best avenue open to us. If ICNAF did not exist, we would not even be talking about an Atlantic offshore fishery. I am quite willing to look at the hon. member's suggestion, however, and if it is useful we will do something about it.

* * *

FINANCE

SURTAX ON AUTOMOBILES—APPLICATION TO VEHICLES ORDERED BUT NOT DELIVERED BEFORE BUDGET

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, my question is for the Minister of Finance. Could the minister answer the question I put to him last week regarding the sale of automobiles and the surtax that was put into effect with the budget? Will that surtax apply on automobiles that were ordered before the budget but not delivered? The minister answered the question in reference to trucks, and I wonder if he could answer now regarding automobiles?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will be able to clarify that matter, which really relates to the legal date of a sale or purchase, when we are before the committee.

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MANPOWER

LOCAL INITIATIVES PROGRAM—SENATE MEMBERS ANNOUNCING GOVERNMENT POSITION ON GRANTS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I should like to address a question to the Prime Minister regarding various statements made on LIP grants. After the considerable work that has been done,

particularly by members of parliament in Edmonton, to help check through the various LIP projects with their consultative committee, why must we put up with an appointed member from the other place, who does not know Edmonton and who, may I add, in the Prime Minister's words "doesn't know his razzmataz from a hole in the ground," being allowed to make an announcement on behalf of the government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as far as I know, the question is hypothetical, but if there is a concrete case the hon. member might let me know.

Mr. Speaker: Orders of the day.

Mr. Paproski: Mr. Speaker, one supplementary.

Mr. Speaker: One supplementary; the hon. member for Edmonton Centre.

Mr. Paproski: Mr. Speaker, the hon. gentleman from the other place is from Palliser, the foothills or some place in southern Alberta, who does not know Edmonton and is not aware of what is going on in the area. Can the Prime Minister tell the House why he cannot appoint a senator from Edmonton and let him make the announcement, or otherwise appoint the senator to the cabinet?

Mr. Trudeau: Mr. Speaker, if the hon. member would agree with the procedure providing it were initiated by a senator from Edmonton I would take notice of the question.

Mr. Speaker: Orders of the day. The Minister of Finance (Mr. Turner).

Mr. Turner (Ottawa-Carleton): I rise on a point of order, Mr. Speaker. I have listened with great interest to some of the questions posed by hon. members, beginning with the hon. member for Leeds regarding LIP grants. This affects the responsibility of a good many ministers. I want to say that in my capacity as a minister in eastern Ontario not once have I intervened politically in a grant in any riding in eastern Ontario, nor to favour any Liberal riding.

An hon. Member: Would the rest of the cabinet stand up?

Mr. Turner (Ottawa-Carleton): The only time I intervened with the minister responsible was October 31, 1973, to ensure that the ridings in eastern Ontario, no matter what their political coloration, received a fair proportion of grants in relation to the entire province.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): We have relied on the advice of the member of parliament—whoever he or she might be—from eastern Ontario or, where a consultative committee was constituted, on that advice. I might say that in 1973-74—

Some hon. Members: Order.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. With all due respect, the hon. minister may be making a valuable contribution to the subject but I must point out that the question period is over. The hon. minister has not been asked a direct question. If I permit the minister to make the statement which he proposes to make, I will have to open the other side of the matter and allow supplementary questions and further examination. I really feel that we have gone beyond the end of the question period and I do not think the matter should go any further.

• (1520)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, may I conclude what I was saying on the point of order because the hon. member represents a riding for which I have some general responsibility, although not as much as I should like. The three ridings, Leeds, Lanark-Renfrew-Carleton and Grenville-Carleton, all received a good deal more money in LIP grants in 1973-74 than did the riding of the hon. member for Ottawa-Carleton.

Mr. Stanfield: Mr. Speaker, I rise on the point of order raised by the Minister of Finance. I did not realize that he felt the shoe fits him as obviously as he has shown here this afternoon. Nobody made accusations directly against the Minister of Finance.

Mr. Turner (Ottawa-Carleton): The accusation involves all ministers.

Mr. Stanfield: It involves all ministers in so far as it involves the system which the Minister of Finance presumably approved.

Mr. Turner (Ottawa-Carleton): But I was denying that that system existed.

Mr. Stanfield: I do not mean to question the good faith of the Minister of Finance when he says that, but his statement is directly contrary to a memo written to the Minister of Manpower and Immigration and signed by the minister's own deputy minister. I can only assume that although the Minister of Finance is presumably acting in good faith, he does not know what is going on in the government. Perhaps, since this is the hour for true confession, the other ministers concerned could get up and tell us all they know.

Mr. Chrétien: Mr. Speaker—

Mr. Speaker: Order, please.

Mr. Hees: There are a lot of guilty consciences on the government side.

Mr. Speaker: Order, please. I interrupted the minister to indicate that although an intervention by him may be valuable in contributing to the general knowledge of members on this subject, what we are doing does not seem to fit into the procedures of the House in any regular way. Having balanced that observation against the observation made by the Leader of the Opposition, I still cannot be persuaded that further discussion of the subject is in order at this time. We have an important matter to debate as an order of the day. If we open up this subject, presumably we will have to carry on and hear every minister.

LIP Grants

Mr. Chrétien: Mr. Speaker, as the first question on this matter was directed to me, may I tell the Leader of the Opposition that when Treasury Board was established in 1867, it was a committee of cabinet formed for the purpose of allowing regional ministers to be consulted about the business of the government. It was established in order to make sure that all the ministers from the various regions were consulted. So I see nothing wrong in our still following the advice of Sir John A. Macdonald.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a different point of order—

Mr. Trudeau: Mr. Speaker—

Mr. Speaker: The Prime Minister rises on the previous point of order.

Mr. Trudeau: Mr. Speaker, I see that all ministers present are volunteering to stand up one after another. I suggest that we turn to the other side and hear them say that no political considerations at all were involved when they approved LIP grants in their various constituencies.

Mr. Cossitt: Mr. Speaker, I rise on the same point of order. A few minutes ago the Minister of Finance either disowned, or did not disown, depending how you interpret what he said, the fact that he is the regional minister and responsible for LIP grants in eastern Ontario. I wish to draw to the attention of the House a document from the Minister of Manpower's office flatly stating that ten Liberal members of parliament—and he is one of them—must have their LIP grants which are mentioned therein, adopted. It is signed by the minister's executive assistant. Therefore the Minister of Finance did not need to be the regional minister. He had it all arranged ahead of time.

Mr. Turner (Ottawa-Carleton): Please produce that document.

Mr. Andras: Mr. Speaker, a highly respected report which comes to the attention of this House from time to time, the Auditor General's report, draws attention to the approval of three LIP projects and the validity of those approvals is questioned. One of those involved recommendations from the former minister of the environment and another from my colleague who was formerly the minister responsible for multi-culturalism. The interesting point I want to make is that the third case called in question in this report involved the riding of the hon. member for Hastings. I heard the presentation of the hon. member for Hastings. He persuaded me that the case had merit and I approved the project.

Mr. Speaker: Order, please. I must reiterate that we are dealing with a matter which I considered from the beginning to be not a point of order, and nothing that has happened since I made that observation has in any way made regular our proceedings. I must insist that we put an end to what is going on. The hon. member for Winnipeg North Centre rises on another point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order with respect to a different matter. I realize, sir, that you frequently rule, and correctly so, that the quality of an answer given by a minister is not the subject of a point of order. But I suggest that a statement made today by the President of the Privy Council, no doubt inadvertently, has a bearing on all private members of this House. I do not think that his statement should be allowed to stand on today's record without the other side of the matter being put on it as well.

The President of the Privy Council said that no guidelines or restrictions apply to private members of the House of Commons so far as conflicts of interest are concerned. In the few minutes since the minister made that statement I have checked through the books I happen to have on my desk. I find that Standing Order 11 and Standing Order 76 impose limitations on all members of parliament. I find, also, that citation 66 and citation 108 in Beauchesne's fourth edition impose limitations in this area of conflict of interest. You will notice that I am not taking the time to read them; I am just drawing attention to them.

I have also discovered that there are guidelines or limitations which affect members of parliament in the British North America Act, the Senate and House of Commons Act, the House of Commons Act, the Financial Administration Act, the Members of Parliament Retiring Allowances Act, the Official Secrets Act, the Post Office Act, the Canada Elections Act, and even in the Income Tax Act. I submit that the statement that there are no guidelines and no restrictions on members ought to qualified by the facts I have just presented to the House.

Mr. Sharp: Mr. Speaker, if I created the wrong impression I did not intend to do so. I said that there are no restrictions, with exceptions. Those were the words I used. The Prime Minister, who is sitting beside me, reminded me that I had said this. The exhaustive guidelines which we propose go much further and apply a much stricter rule to the conduct of private members than any they are now expected to follow.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

CUSTOMS TARIFF

The House proceeded to the consideration of a ways and means motion respecting the customs tariff.

Hon. John N. Turner (Minister of Finance) moved:

That a ways and means motion with respect to the customs tariff, laid upon the Table, Monday, November 18, 1974, be concurred in.

Motion agreed to.

CUSTOMS TARIFF (No. 2)

Hon. John N. Turner (Minister of Finance) moved, that Bill C-39, to amend the Customs Tariff (No. 2), be read the first time and printed.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

WAYS AND MEANS

EXCISE TAX ACT AND EXCISE ACT

The House proceeded to the consideration of a ways and means motion to amend the Excise Tax Act and the Excise Act.

Hon. John N. Turner (Minister of Finance) moved:

That a ways and means motion with respect to an act to amend the Excise Tax Act and the Excise Act, laid upon the Table, Monday, November 18, 1974, be concurred in.

Motion agreed to.

* * *

EXCISE TAX ACT AND EXCISE ACT

Hon. John N. Turner (Minister of Finance) moved that Bill C-40, to amend the Excise Tax Act and the Excise Act, be read the first time and printed.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

● (1530)

REPRESENTATION ACT, 1974

MEASURE TO PROVIDE FOR REPRESENTATION IN THE HOUSE OF COMMONS AND ESTABLISH ELECTORAL BOUNDARIES COMMISSIONS

Hon. Mitchell Sharp (President of Privy Council) moved that Bill C-36, to provide for representation in the House of Commons, to establish electoral boundaries commissions and to remove the temporary suspension of the Electoral Boundaries Readjustment Act, be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, the purpose of this bill is to provide for a new and equitable method of redistributing seats in the House of Commons among the provinces of Canada. It deals with a matter that touches the very fabric of our democracy, that is of deep concern to every Canadian. A just system of the representation of the people is the very life-blood of our democratic process.

In this spirit, it has been recognized since confederation that the development of a method of redistributing seats among the provinces in the House of Commons rises above partisan politics. It was for this reason that the matter of developing a new method in keeping with evolving population trends and our fundamental democratic principles

was entrusted, in the last parliament, to the Standing Committee on Privileges and Elections of this House.

Hon. members will recall that the redistribution of seats based on the 1971 census, and calculated according to the present Section 51 of the British North America Act, produced results deemed to be undesirable by all parties. Parliament therefore decided, by way of the Electoral Boundaries Readjustment Suspension Act, to suspend the process of determining constituency boundaries until January, 1975.

My esteemed predecessor, the Secretary of State for External Affairs (Mr. MacEachen), presented various possible redistribution methods to the committee for its consideration, and members of the committee also advanced certain proposals. Despite considerable study the committee was unable to make a definite recommendation, since its deliberations were interrupted by the dissolution of parliament. However, as I mentioned in this House on October 11, I have reason to believe that it is the general feeling of hon. members that the committee was sufficiently close to completing its task that a bill can be introduced without further prior consideration by the committee.

The method contained in this bill, the amalgam method, was recommended by my predecessor in his statement to the committee, and was examined very closely. No fundamental changes have been introduced, but an omission has been corrected, as I will describe in due course.

Methods of redistributing seats in the House of Commons have historically reflected the particular federal make-up of Canada and the fundamental principles inherent in our democracy. The general principle of representation by population appeared in both the Quebec and London resolutions which preceded confederation and in the British North America Act in its original form. At the same time, however, the effects of the strict application of "rep by pop" were attenuated by a provision to the effect that no province should lose a member unless its population relative to that of Canada as a whole had decreased by 5 per cent or more.

Exceptions to the strict principle of representation by population have continued since that time. All provinces admitted to confederation since 1867 have, upon admission, received more members than would have been justified on a strict basis of representation by population. Since 1915, Section 51A of the British North America Act has provided, and I quote:

... a province shall always be entitled to a number of members in the House of Commons not less than the number of Senators representing such provinces.

In 1952 it was provided that the representation of no province should be reduced by 15 per cent in any one redistribution below that to which it would have been entitled in the previous redistribution were it not for the application of this rule, and that no province should have fewer members than a province with a smaller population.

These provisions have respected the federal structure of Canada by ensuring that no province should be deprived of an effective voice in the House of Commons. As Sir Wilfrid Laurier said in 1915:

It is the very essence of our constitution that we should endeavour to have all provinces fairly represented, and the views of all provinces accepted in this parliament insofar as we can attain that end.

This is from the *House of Commons Debates* for that year, at page 329.

The redistribution method embodied in this bill reflects this concern. Thus, the method provides as a general rule that no province shall suffer a decrease in representation in this House. Principles of equity also require general rules to the effect that no province shall have fewer seats than a province with a smaller population or a number of seats which would give it an average constituency population greater than that of Quebec, excepting a difference in the latter case which results from the fourth general rule that all fractions appearing in numbers representing seat totals should be dropped. The rule making the average constituency population of Quebec the maximum possible was inadvertently omitted in earlier descriptions of the method, but is obviously necessary to ensure that no province receives fewer members in relation to population than the largest provinces.

The method provides that Quebec should receive a fixed number of seats after each decennial census and divides the other provinces into three categories to which specific rules are applied. Provinces with populations over 2,500,000 will receive the number of seats determined by dividing the average constituency population of Quebec into their respective populations.

If the population of a province is less than 1,500,000, but has increased since the previous decennial census, its representation will be determined by dividing its population by the average constituency population at the previous redistribution of the provinces with a population of less than 1,500,000 according to the previous decennial census.

If the population of a province is 1,500,000 to 2,500,000 and has increased since the previous decennial census, it will be allocated a number of seats determined by increasing its total number of seats by one seat for every two that it would have received were it to have the same average constituency population of the province with the largest average constituency population of provinces with a population of under 1,500,000.

If a province has a population that has decreased since the previous decennial census and is below 2,500,000 its representation will be unchanged.

Representation by population remains a treasured goal and constitutes an integral aspect of this method of redistribution. The largest provinces will have numbers of members calculated on a representation by population basis relative to the province of Quebec. Within the group of the smallest provinces, representation by population will prevail except to the extent that the floor provisions may apply. Continued population growth in the small provinces would reduce their reliance on these floor provisions and lead to a greater degree of representation by population.

The aims of maintaining effective representation for all provinces and of progressing toward representation by population together determine the relationships between the respective total numbers of members to be accorded to each province. There is a second equally important aspect to which much consideration has been given, and that is the number of members in the House of Commons.

[Mr. Sharp.]

The amalgam method was devised as a means of ensuring that the population size of constituencies in Canada would not grow to a point where a member's ability to represent his constituents would be impaired, nor the access of constituents to their member unduly restricted.

● (1540)

Whatever the energy and dedication of a member, there is a limit to the number of constituents he can properly represent. At the same time, a member's effectiveness in representing his constituents in the House of Commons can be diluted if the size of the House is allowed to grow unchecked. This bill represents an attempt to strike a reasonable balance, and to ensure that all of the people of Canada will continue to be well represented by their members, both inside and outside the House of Commons.

If and when this bill becomes law, the number of members representing provinces will increase from the present level of 262—here I would remind hon. members that two electoral seats among our 264 are represented by members from the territories—to 277 at the next redistribution based on the 1971 census. Thereafter, the results depend upon the population at each succeeding decennial census.

By providing for the addition of four seats to the representation of the Province of Quebec at the time of each redistribution, certain assumptions are implied as to population growth both for Canada and for the Province of Quebec. Should these assumptions prove to be wide of the mark, parliament may choose at some later date to add fewer or more seats to Quebec, which is the pivot of the whole system, as it was until the law was last amended. All we can do at the present time is to establish a system which appears now to be reasonable.

At this point, Mr. Speaker, I should like to have the consent of the House to place in *Hansard* an illustrative table showing the distribution of seats by provinces as envisaged by the bill before us, following the next redistribution as compared with the present system of distribution, and the redistribution if there were to be no changes. The table also includes a forecast of the redistribution following the 1981 census on the basis of certain assumptions as to the population of the provinces in 1981. The assumption which is used in the table is that the population of the provinces in 1981 will be 23,967,800, in accordance with the projection which came from Statistics Canada.

The Acting Speaker (Mr. Penner): Is it agreed that the hon. minister be allowed to table the said document?

Mr. Knowles (Winnipeg North Centre): Is this the table which was attached to the minister's press release of October 12? If so, we have all seen it and we shall be glad to have it included.

Mr. Sharp: I can assure the hon. member it is the same table. The calculations were redone, and turned out the same.

Mr. Baker (Grenville-Carleton): Will the table be incorporated in the text of the hon. gentleman's speech?

Mr. Sharp: It was my intention to recommend that it should be printed at this point in my speech.

Some hon. Members: Agreed.

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

Representation of the Provinces in the House of Commons

NOTE: THIS TABLE DOES NOT INCLUDE THE SEATS OF THE YUKON TERRITORY OR THE NORTHWEST TERRITORIES

	Present	Redistribution under present rules	Redistribution under proposed new rules	Application of present rules to redistribution after 1981 census*	Application of proposed new rules to redistribution after 1981 census*
NEWFOUNDLAND—(522)	7	6	7	6	8
PRINCE EDWARD ISLAND—(112)	4	4	4	4	4
NOVA SCOTIA—(789)	11	10	11	10	12
NEW BRUNSWICK—(635)	10	10	10	10	10
QUEBEC—(6,028)	74	72	75	68	79
ONTARIO—(7,703)	88	91	95	94	110
MANITOBA—(988)	13	12	14	11	15
SASKATCHEWAN—(926)	13	12	14	11	14
ALBERTA—(1,628)	19	19	20	20	23
BRITISH COLUMBIA—(2,185)	23	26	27	28	32
TOTAL	262	262	277	262	307

(Population for 1971 in thousands).
*This is based on a projection obtained from Statistics Canada of 23,967,800 in 1981.

Mr. Sharp: At this point, I should like to remind hon. members that the bill deals with the question of redistributing seats in the House among provinces, and that it does not encroach in any manner on the task of the independent electoral boundaries commissions in readjusting the boundaries of constituencies within provinces. The two processes are quite distinct. Nevertheless, it will be appreciated that the allowance of small increases in the size of the House, and the protection of the existing representation for each province as a minimum guarantee, will ensure that attention may be paid by the commissions to maintaining the historical, social and geographic patterns of constituencies.

The bill does not contain provisions respecting the representation of the territories. In recognition of the very special factors affecting the adequacy of their representation, the government intends to introduce at an early date, after this bill has become law, a separate bill to increase to two the number of members to be elected from the Northwest Territories. The government does not intend to recommend changes in the representation of the Yukon territory, which has a much smaller land area and approximately one half the population of the Northwest Territories.

Hon. members will recall that the electoral boundaries commissions will complete the determination of constituency boundaries throughout Canada based on the results of the present method of redistribution, if parliament does not act to adopt a new method by December 31. May I suggest, therefore, that since there is general agreement that the existing method of redistributing seats is not satisfactory to any of the parties in the House, the bill before us should be referred promptly to committee so that it can be examined in detail.

On the basis of informal discussions and consultations, and of the work of the committee in the last parliament, the "amalgam method" does seem to be the most acceptable of the various alternatives which have been put forward, but the new committee and this House should be satisfied that such is the case. The first step is for the committee to look at the alternatives and make a report. As I said at the beginning of my remarks, this is a matter which rises above partisan politics.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in considering the bill before us we are, once again, contemplating a measure which would alter the basic electoral map of Canada.

Historically, this has been done at frequent intervals—almost every ten years. Reading the debates which have taken place on this subject it is interesting to note that those taking part in them believed they were making maps which would last forever and a day. I think we should remind ourselves, when studying this bill, that the map we eventually propose will almost certainly be changed after the 1981 census, and that it will certainly be changed after the 1991 census. All human beings are fallible, no matter how well we may think we are doing.

Members of the previous parliament spent a good deal of time discussing the changes they thought should be introduced, and the manner in which various provinces might be affected. I think it can be said that legislation such as this is relatively nonpolitical. After all, each member has a personal view as to the nature of the constituency he or she represents, and the way it fits into the general plan.

The issue we are considering today reflects a feeling among many members of parliament that their constituencies contain more people than they adequately are able to represent and, conversely, a feeling among rural members that with the change in the population mix they are responsible for looking after vast areas of sparsely settled country.

There is, too, the difficulty of ensuring adequate provincial representation in this chamber. Canada contains two provinces which are relatively huge in terms of population—Ontario and Quebec. These two provinces exert a great influence on the affairs of our nation. We tend to think they extend a long way to the north. In fact, though, the population is strung out in a narrow band along the United States border.

Two of the other provinces are considered to be intermediate in size—Alberta and British Columbia. The remaining provinces are of relatively small size, though even here a wide variation in population exists, ranging from Prince Edward Island with a population of somewhat over 100,000 to Manitoba with a population of more than a million. So there is a wide mix in our population setup. If all provinces were of equal size in the national sphere perhaps a really close representation by population formula could be carried out, Mr. Speaker.

● (1550)

I think it can be said for many westerners that they hardly regard themselves on an equal footing with the two central provinces in Canada. This is largely a matter of geography. They regard themselves sometimes as onlookers on the national scene. Similarly, and perhaps even more so, this feeling would hold true for the Maritime provinces. Of course the provinces of both Ontario and Quebec have large sparsely settled areas with different problems than those of the industrial areas, and those areas within those two provinces have their own grievances.

The study of this problem has been very interesting, and in many ways I think we should look, in the over-all matter—or perhaps some parliament in the future should—at what the Senate could be doing, as is the case in some parts of the world such as the United States, with an elected House, and in Australia with the equivalent of a Senate, both of which provide representation for regional interests. It might be that in the long run we should arrive at some means of reforming the Senate and making it another elected body in order to provide a better formula for redistribution.

In attempting to arrive at some sort of solution various formulae have been produced, and they all add up to the numbers game: how many seats should each province have? Some of this might be done away with if we had amalgamation of the Maritimes, say, or of the western provinces. Such a solution, perhaps helping in respect of redistribution, would have untoward effects, so such a solution would seem inconsistent at this time.

There seems to be a general feeling that the provinces should not lose seats, particularly in view of the fact that Prince Edward Island, New Brunswick, Newfoundland and Nova Scotia would have their representation at their constitutional level, while other provinces such as Manitoba and Saskatchewan could well fall to a lower number of seats yet still have a larger population than the Maritime provinces. To obtain a change of this nature would require a drastic review of the British North America Act, with provincial acquiescence to changes in the constitution.

For this present redistribution it seems that most members would favour the proposed new general rules. These are in effect that no province should suffer a decrease in Commons representation. I am sure this would find general support among members. Secondly, no province shall have fewer seats than a province with a smaller population. This, and I think it goes without saying, would be quite an undesirable event. Thirdly, no province shall have an average constituency population greater than that of Quebec. It is interesting that, in this regard, we are returning to some extent to the 1867 act under which Quebec was the principle that governed representation of the provinces from 1967 to 1947. Perhaps there is historic irony in respect of this situation in our debate on the resource bill, in that we are returning to the principle espoused and passed on by the fathers of confederation.

I think it is less certain that members will want to see an automatic increase of four seats for Quebec after the 1981 census and, of course, a corresponding increase for the larger provinces. Based on present population growth this would mean increasing the size of the House substantially with each decennial census. I think it is here that many members would part company with the government and would like to see the House of Commons of 1983, or at whatever may be the proper time, pass judgment as to whether it wished to continue enlarging the House in this manner.

There are many reasons why there should be a maximum, so that the members of the House at any time will be able to pass judgment easily on whether the House should continue to be enlarged. I do not think it can be fairly said that there is great reluctance or reservation by members on all sides of the House to express themselves in respect of whether it would be a good thing to discontinue enlarging the House of Commons. At the present time it seems that enlargement of the House would create no actual physical problems, and the actual structure of the House need not be altered to accommodate the increase in the membership proposed by this bill.

Indeed, during the question period many members might like to have even fewer in the House than at the present time, and many would point to the Senate of the United States which has only 100 members to represents its 200 odd million people; not that I would equate the Senate of the United States with the House of Commons, but it does indicate a substantially fewer number of representatives.

The United Kingdom parliament has 600 members, but the United Kingdom has no equivalent number of provincial members to carry on much of the function that is carried on by our provincial members here. I would also hasten to add that, contrary to what some in Ottawa might think, Canada could not function without provincial governments representing the regions of our country.

I also believe that there is in this bill the suggestion that Quebec will remain as the pivot for the computation of the number of seats for the larger provinces. This is a return to the principle of parliamentary representation from 1867 to 1946. In the treatment of categories of intermediate provinces and small provinces the Quebec pivot has been greatly altered, and does not function nearly as well as it did in 1946.

The small provinces would be determined by dividing their population at the most recent decennial census by the average constituency population of all the small provinces at the time of previous redistribution. In no way will this tie the representation of the small provinces, populationwise, to the larger provinces.

Should this amalgam method go unchecked there could arise a situation whereby a small province or provinces could experience phenomenal growth. For instance, the

discovery of oil or gas on the east coast could easily bring half a million more people to Newfoundland or Nova Scotia than are anticipated in one census decade. Similarly, for some reason, Saskatchewan or Manitoba could achieve phenomenal growth. For instance, I believe it can be fairly said that we are headed for a great shakeup in the world economic system, and consequently in our own country. Indications are, for instance, that probably Alberta will grow faster in the next decade than any other province.

Similarly, an intermediate province will be based on the formula that will be determined by increasing its total number of seats by one seat for every two it would have received if it were of the same average constituency population as the small provinces with the largest average constituency population.

The application of the definition of an intermediate province being at any upper limit of 2.5 million would create considerable problems for British Columbia which, in the next census, is forecast will be in the large category. British Columbia then would be classified as a large province, yet compared to Ontario and Quebec, although classified as a large province, would be similar to the rabbit being classified as equal to a horse.

I suggest that this low level should be raised to some degree in order to give British Columbia greater status in that it is the province with its problems furthest away from Ottawa. I think we should look at this again and explore the possibilities of defining the upper limits of what the definition is in respect of an intermediate and a small province. One suggestion is that it should be at least two thirds the size of the largest province, or some similar figure.

● (1600)

I expect that this bill likely will be an interim bill that will be changed when the next census is considered. There is perhaps some value in having on the books a formula such as contained in the amalgam method to provide a basis for representation in the various provinces. I am sure that in 1981 and 1982 the parliament of Canada of that day almost certainly will want to alter the electoral boundaries and distribution of seats. I am disappointed that the government has not seen fit to introduce such a clause in this bill to make it mandatory for the parliament of 1981 or 1982 to consider actively what we are doing now.

The amalgam method of redistribution fundamentally alters the formula under which representation has been effected in the past. We cannot foresee what population trends and concentrations of population will occur in certain geographic areas. Our projections are always based on statistics. It has been aptly said there are good statistics, bad statistics, and plain lies.

There is considerable truth in the suggestion that we are always ready to criticize those who went before, but we often forget that it is difficult to predict the future. I am sure there is nothing more fallacious than basing projections on population statistics in relation to what went on previously. The drop in the Canadian birth rate alone will result in a very large difference in the population map in a decade from now. One does not even have to be a statistician to realize this simple fact.

In the committee I certainly hope changes will be made in respect of this legislation to allow for the parliament of 1982 to have a look at this. I hope we will not have a situation similar to what we have at the present time whereby the map was drawn, parliament was largely unaware of what had happened, and when the map became available everyone was quite upset. Because of that situation it was necessary to go through the ritual of suspending the Electoral Boundaries Act and the commissions. This involved expense and delay in the setting up of new boundaries so that elections would be more fair.

I also think we should take a look at the definition of a province. We might consider the situation in respect of small, intermediate and large provinces, as well as the problem of British Columbia possibly being equated in the next census with a large province when perhaps it may have less than 30 per cent of the population of Ontario.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on balance we find Bill C-36 acceptable and we hope it will not take long for the House to refer it to the standing committee.

As the President of the Privy Council (Mr. Sharp) indicated, the subject of redistribution is one that has engaged the interest of the country and of members of parliament very intensely throughout the history of Canada. One might not think that, judging by the number of members in the chamber this afternoon, but perhaps there are reasons why some hon. members are not here.

I have had the privilege of being here through what will now be three phases of this operation. When I first came here redistribution was still based on 65 seats for Quebec, which we all learned in school. I was here when we switched to the method adopted in 1946, a method which at that time we thought was an improvement. Now we have reached the point where we are trying a new way altogether. I agree with the President of the Privy Council that this is a subject we must approach with as little partisan bias as we possibly can, and with as little provincial or regional bias as possible.

Yet at the same time it is a fact that in a country the size of Canada, with provinces varying in population all the way from the millions in Ontario to a few tens of thousands in the province of Prince Edward Island, it becomes very difficult to devise a formula that is equitable on all counts.

I have the feeling that the Standing Committee on Privileges and Elections in the last parliament in its wrestling with this issue did come up with a pretty fair arrangement, which I think may stand the test of time even a little more than the hon. member for Dauphin (Mr. Ritchie) feels is the case. I agree with him that in the 1980's there may be a disposition to make another change, but I would be prepared to predict that the change to be made in the 1980's will not be a change in the nature of the formula but rather a change in the total number of seats.

Without wanting to spend more than a few minutes on history I should like to point out that from 1867 until 1946 we had redistribution of seats based on the fact that 65 seats were assigned to the province of Quebec and all the other provinces were supposed to have a number in proportion thereto. As the President of the Privy Council

pointed out, there was one slight qualification to that right at the beginning, namely, that no province was to lose any seats at a redistribution unless its population dropped by 5 per cent or more.

Then it was not very long, in that first era of our redistribution history, until the reduction in the number of seats in the Atlantic provinces made it necessary to do something to protect Prince Edward Island in particular. Hence a floor was built into the constitution in 1915 which provided that no province was to have fewer members in the House of Commons than it had members in the other place. So, even in that period between 1867 and 1946, when we had what we thought was a system of representation by population, it was varied because of the requirements of the situation.

In 1946 we switched from a basis of 65 seats for Quebec and the other provinces in proportion thereto to a system based on a fixed total number of seats for the House of Commons. Then we decided we would divide that total number of seats among the provinces in proportion to their respective populations, but the very minute we wrote that system we made some qualifications in it.

We carried forward, for example, the Senate floor which was already there. We provided for seats for the Yukon Territory and the Northwest Territories despite their lesser populations, and it was not long after that until we got the "Gardiner rule" written into the constitution, which provided that no province should lose at any redistribution seats greater than 15 per cent of the number of seats it had before. It was a very complicated rule. But the point I am making is that again, in the 1946 to the present era, we decided that representation by population had to be qualified because of the make-up of this country.

● (1610)

Now we are changing, we are going back to a basic number for the province of Quebec, and we are deciding that it is to be 75 for this decade, with the provision that in each succeeding decade that number will increase by four, in other words to 79 in the 1980's, to 83 in the 1990's, to 87 in the twenty-first century, and so on, on the basis of that province having a fixed number. We are deciding that the rest of the provinces are to have their seats in proportion thereto.

However, we are still faced with the fact that when you apply strict representation by population, small provinces like Prince Edward Island and New Brunswick would suffer greatly if some floor were not provided, and we are carrying forward in effect the floor we have had. We are dropping the reference to the Senate—that of course pleases me and I would vote for the bill on that count—but we are carrying forward the actual floors of four for P.E.I., and ten for New Brunswick.

We have also come to the realization that if there are floors for some very small provinces, it is right to expect floors for provinces that are a little larger but are still small. We from the prairie provinces, particularly from Manitoba and Saskatchewan, have accepted the fact that P.E.I. and New Brunswick were entitled to their floors, but we wondered why we were not also entitled to some such provision. So, as I see it, what we are doing in this new bill is something akin to what is done by many organizations.

I do not hold it up necessarily as the only example, but I looked this morning at the constitution of the NDP—you can be sure of course that whatever we do is logical—and I find that there is a provision in our constitution regarding delegates to our national convention, which states that there is one delegate for the first 50 members, another delegate for the next 50, and so on up to 200 members, but once the membership in a constituency is over 200, the number of delegates becomes one per 100. What is true for the NDP, I suggest, is probably true for other parties, union organizations and all kinds of bodies, namely, that you provide a little larger representation for the first numbers but, as the numbers increase, you moderate it slightly.

So what we are doing in this bill, it seems to me, is very straightforward and clear. We accept the fact that in Canada we have three groups of provinces: we have large ones, we have middle-sized ones, and we have small ones, just like the Three Bears. The large ones at the moment are Ontario and Quebec; the middle-sized ones are Alberta and British Columbia; the smaller ones, the working ones, the ones from which come the real ideas, are the other two prairie provinces, Saskatchewan and Manitoba, and the four Atlantic provinces, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland.

What we decided is that in the case of the two large provinces the relationship between them shall be exactly proportional to their numbers. We give Quebec 75, and Ontario's number shall be exactly proportional to Quebec in terms of its population. Then we are deciding that the middle-sized provinces shall get a slightly better deal, and after that we have decided that the smaller provinces shall have a break that is slightly better still.

When you read the convoluted language of the bill you may wonder what it says, but that is what it says. The formula provides for Quebec and Ontario to have numbers that are directly proportional to their population. In the case of the smaller provinces, we decided that the quotient that applied in the preceding redistribution is to apply in the new one, and if that results in those provinces holding their own number of seats or getting more, that is what they will get. In the case of the middle-sized provinces we decided that they would get half of whatever that formula would give to them, so that they fare a little better than Ontario and Quebec but not quite as well as the six smaller provinces.

I say "fare better, or fare not quite as well" in terms of their absolute numbers, but I suggest that in terms of fairness of representation, the scheme works out fairly well. I am reasonably hopeful, with the one qualification that the hon. member for Dauphin made, and I am inclined to go along with it, that this scheme may stand up better than the one we produced in 1946, and still better than the one that was produced in 1867.

I can imagine that in the 1980's or the 1990's there may be some concern about this House becoming too large, but dealing with that should wait until we see what the population is in those years, and what facilities there are to enable members to deal with the problems of their constituents. I believe the whole question of communica-

tion between Ottawa and this far flung country, and the whole question of what we do about election campaigns, how long they are, and so on, are involved in this question of the number of constituents a member would have. So I say that subject to the question of enlarging the House by too many in the 1980's, in the 1990's or in the twenty-first century—some of us would like to stay around to see how it all works out—I think that the formula has a good deal to commend it.

Although it was not my intention to broach this next subject at this time, since it is in my head now I might as well come out with it while we are talking about increased numbers. Some members immediately raise the question as to where we will put them all. So far as the next parliament is concerned after this bill goes through, 280 members will present no problems at all. As you, Mr. Speaker, are aware, we now have 279 desks in the House. We have 138 on the government side and 138 on this side, and also we have three brand new ones in the far corner for Mr. Deputy Speaker and his assistants. So we need only one more desk in the House to accommodate the 280.

Mr. Turner (Ottawa-Carleton): So long as we don't get another Camillien Houde.

Mr. Knowles (Winnipeg North Centre): I could share half of my seat with him, and between the two of us we could manage with two full seats, Mr. Speaker.

That picture of using every seat in this chamber of course has to be qualified by the question of how the election results break down and whether it is desirable to have the place fairly evenly balanced. Perhaps another minority parliament would be good for that first House of 280.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mind you, when you go on to 310, another problem is created, but let us worry about that when the time comes.

I have said that the language of this bill is terribly complicated, convoluted and contorted, and the minister's smile suggests that he found it that way too. I still think it should be possible to find someone else to draft these bills rather than lawyers.

Some hon. Members: Hear, hear!

Mr. Nystrom: Such as Gene Whelan.

Mr. Knowles (Winnipeg North Centre): We need someone to put this in language that any person can understand. There seems to be general agreement in some quarters that we should get rid of the lawyers, but there seem to be a few members around with a conflict of interest of that point.

● (1620)

Even so, Mr. Speaker, on examining the language of the bill quite closely I realize that not only is it a bill that sets out the basic principle, namely, that there shall be these three groups and that the large ones get a straight representation, the middle ones get a little better, and that the smaller ones fare a bit better, but then there are such things as the provision that no province shall lose any seats at any redistribution, and no province shall have fewer members than some other province that has a lesser population. When I really go through that convoluted language I realize what it does. It provides that there shall be no instance of a province losing seats at any redistribution. That is why Prince Edward Island and New Brunswick will stay where they are even though the reference to their Senate floors has been taken out.

There are some other interesting things. There is a provision in the bill that takes care of the situation, if that day comes, when there are no more small provinces in Canada. Somebody gasped at that, and I gasped too when I saw it. The day when Prince Edward Island has 1,500,000 people is surely far off, but nevertheless I suppose theoretically those who drafted the bill thought the possibility should be considered.

There is also a provision for what happens if a province finds itself protected by two floors. There is the provision that says a province shall not lose any seats at redistribution, and there is another provision that says a province shall not have fewer seats than some other province with lesser population. There may be an instance where a province finds itself protected by both of those floors. In that case the language of the bill makes it clear that the province gets the greater rather than the lesser number of seats.

There is also the provision that no fraction is to count. If one should divide the quotient into a province's population and if it ends up with 14½ seats, that province gets only 14 seats.

The bill has wiped out any reference to the Senate floor. That does not do away with the fact that Prince Edward Island and New Brunswick will continue to have four and ten seats respectively. I welcome that change because it means that I can simplify my bill C-205 which calls for the abolition of the Senate. That bill has not yet got past this House, but one lives in hope. In that bill I have had to consider what would happen to the floor that protects Prince Edward Island and New Brunswick if we did abolish the Senate. I have had to put some of this convoluted language in my bill to provide that they would retain the floor they had when there was a Senate. I can change that now because those provinces are protected by a different floor, the floor that says no province is ever to lose any seats, so the reference to the Senate is gone.

There is no reference in the bill to the "Gardiner rule" or 15 per cent rule. I remember the terrific battle we had over that. It was very obvious that Mr. Gardiner brought the rule in just to save Saskatchewan. He was a minister from Saskatchewan and I suppose was doing his duty by his province, as ministers still feel they have to do in various ways. After a redistribution or two it turned out, however, that it did not save Saskatchewan, but it did save Nova Scotia. It seemed to me a far-fetched rule. I think it is better to have the basic rule that no province loses any seat and the rule that no province is to have fewer seats than any other province with a lesser population. In that sense the new bill is good.

One of the other things I like about this bill if I understand it, and I think I do, is that it has softened the disproportion that existed, let us say, between Prince

Edward Island and New Brunswick and Manitoba and Saskatchewan. The former two provinces had floors of four and ten. Manitoba and Saskatchewan had their senatorial floor set at six, but had the protection that they could never have fewer members than a province having lesser population. Thus it was possible for Manitoba and Saskatchewan to go down to ten, the same as New Brunswick.

This new formula calls for all six of the small provinces to be linked together. The number of seats to be assigned to each of the small provinces is determined by dividing the number of seats that the six provinces had after the last redistribution into the total population of those six provinces under the new census figures. So, the populations of Prince Edward Island and New Brunswick are brought into the total population of the six small provinces. That is why Manitoba and Saskatchewan will go up to 14 instead of the 13 we have now, while Prince Edward Island and New Brunswick will remain the same. In other words, the population of those six smaller provinces is taken together, except that the four and ten floor was already there for Prince Edward Island and New Brunswick. It does not put us on a directly proportional basis but it lessens the feeling of disproportion between those two provinces and the two prairie provinces to which I have referred.

I think an arrangement has been worked out that should see us through a few decades, and I think it will be looked upon as an improvement over what we had.

I said earlier that there were one or two other things that might have been included in this bill. One that has been referred to by the President of the Privy Council is the matter of the Northwest Territories. We long ago accepted the proposition that the people of the Yukon and the Northwest Territories should have representation in this House despite the smaller population in those parts of Canada. In the case of the Northwest Territories my friend from that area has told us, as he has told the House, of the terrific job it is to try to represent 36,000 people scattered over almost 1½ million square miles. I asked him the other day if he would not feel lonely if he had to cover only 750,000 square miles. He said that he would, but in the interests of the people he thought it was a good idea.

The hon. member for Northwest Territories (Mr. Firth) has before the House a private member's bill, C-299. I hope the President of the Privy Council will examine it and, perhaps it might be referred to the Standing Committee on Privileges and Elections along with any bill that the government introduces. This has been a major concern of the member for Northwest Territories since he came here. He is anxious for a system that would be more fair to the people in the north. I join him in welcoming the announcement made today. When this goes before the committee I hope Bill C-299 will be referred along with the bill the government plans to place before us.

I am glad that the President of the Privy Council emphasized the fact—I thought the hon. member for Dauphin was confusing the two things a little—that this bill deals only with the number of members to be assigned to each province. The hon. member said that after the map came out last time there was a good deal of concern, part of it was concern over the way the boundaries were drawn and part of it was the sudden realization that it was really true that provinces like Manitoba, Saskatchewan and Nova Scotia that were going to suffer a decline in the number of their seats. It was a combination of the two things that brought on the concern that led to the delaying bill we passed some months ago.

In this bill we are not dealing with the question of how the lines are drawn inside the provinces. We are not touching a principle that I feel is by now sacred. It took a long time to get it, but it is there. That is the provision that the lines shall not be drawn by members who have a conflict of interest, shall not be done by a committee, and particularly shall not be drawn by a government, but shall be drawn by independent commissions. I recognize all the arguments that members will want to make before those commissions, but the fundamental fact that these lines inside the provinces are drawn independently of the operation of parliament is something I am glad we won, and I am glad it is still there.

I know that in this bill part of the complicated language is there to make it clear that the work done under the old formula is now null and void, that the commissioners are going to start all over again except, of course, that it is declared that they have had referred to them the reports on population and so on.

● (1630)

All told, Mr. Speaker, I think a good job has been done; but I am not handing a bouquet to the minister or to the government because, as he himself said, this bill represents the thinking of the Standing Committee on Privileges and Elections of the minority parliament. I think it is good to see some of the things which were initiated in that minority parliament being carried forward in this one, and we are ready to give Bill C-36 its second reading and send it to the Standing Committee.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to congratulate the President of the Privy Council (Mr. Sharp) for having introduced Bill C-36 which is entitled:

An Act to provide for representation in the House of Commons, to establish electoral boundaries commissions and to remove the temporary suspension of the Electoral Boundaries Readjustment Act.

Bill C-36, Mr. Speaker—I think it is necessary to recall—has some historic significance. Indeed, a bill to establish electoral boundaries commissions has already been introduced in the House. Such a commission acted under the legislation then enforced on the basis of the 1971 decennial census and with the former procedure used in Canada to establish the electoral boundaries throughout the provinces. As a result, the Quebec representation had two fewer members, Newfoundland, one member less, while Ontario had three members more, one member less in Manitoba and Saskatchewan but three members more in British Columbia.

This formula of course satisfied only a few individuals. Thus a group of members in each province agreed to file a notice of objection to the House against the old distribution procedure.

On June 7, 1973, I had the privilege, together with the hon. member for Témiscamingue (Mr. Caouette), to join

another group of government members to categorically and firmly oppose a bill which had then been introduced. We were dissatisfied for a number of reasons. One of them was the fact that Quebec would lose two seats. The other was that it was based only on the population criterion, with a percentage of more or less 25 per cent, which meant that the electoral boundaries commission was only playing a mathematical game, putting a puzzle of sort together, joining constituencies together while applying the rule of more or less 25 per cent.

We had indicated at that time that we objected to this method for a number of reasons. One of them was the fact that Quebec had a smaller representation mainly for the following reasons: First, because the electoral boundaries commission was not taking and would not take into account geographic and economic considerations, nor the communication problems within constituencies and between various constituencies.

In other words, Mr. Speaker, we were objecting because electoral boundaries were established according to the act, according to the method used to determine the number of constituencies. We had the same problem over and over again.

The House, composed of Liberals, Progressive Conservatives, New Democrats and Social Creditists, will agree by the time limit of December 31, 1974 on a procedure for the distribution of constituencies among provinces to make this Parliament representative.

Referring to Part II of Bill C-36 now under study one can wonder what the outcome of that bill will be. We shall be faced with exactly the same situation as in the past, meaning that the task will be assumed by commissionners. These are frequently judges, helped in that matter by commissionners sitting at the top of their ivory towers. They try to apply a method based or stupid mathematical criteria, in order to establish electoral boundaries without taking any particular cultural, historical, economical or social factor into consideration.

Mr. Speaker, I made tremendous efforts when that bill was introduced. I went to the court in Trois-Rivières and met with the commissioner. I prepared a report of over 65 pages in order to prove, as evidenced by figures—figures that were not drawn from my imagination, but from Manpower centres, from Statistics Canada and other organizations—to prove, as I said, that it was important not to accept the electoral boundaries of the Lotbinière constituency as proposed. I was heartily and very politely welcomed, but to no avail at all.

Private members are most concerned with electoral boundaries. Generally speaking, our party is satisfied with Bill C-36. We are glad that the government accepted to propose, to use the so-called "amalgam" formula which seems by far the best of all proposed formulas. We had a choice of several alternatives. In fact, five distribution methods were suggested, which fell into two groups, two of those methods advocating a considerable increase in the number of members, namely the amplified method and the so-called mitigated parity method.

We also had the choice between three other methods for a moderate increase in the number of seats: the compensation method, the Quebec plus 4 formula and, finally, the amalgam formula. My colleagues and myself carefully studied all these proposals. For this, we referred to the statements of the former President of the Privy Council and the documentation available, as well as to the committee on procedure, which has studied these matters.

We concluded that this government proposal is valid, justified and necessary. We are in favour of its implementation. But, Mr. Speaker, since there must always be a but, Part II says that Bill C-36 will be implemented immediately, which means that our famous boundary commissions, from their ivory towers, as I said earlier, will amuse themselves by drawing lines anywhere and try to balance the figures. With all due respect, I strictly condemn the working method of these people, Mr. Speaker. They bring about the kind of situation where the constituency of Drummond, for instance, will be integrated with half the constituencies of Richmond and Shefford. Shefford will end up in the constituency of Saint-Jean d'Iberville. Lotbinière keeps what it already has and extends to Thetford Mines. The rural constituency of Frontenac disappears and the redistribution goes on haphazardly.

As for us, we want to ensure an equitable and serious representation for Canadians. We are willing to accept suggestions. What is important is the final result; when we look at the maps as a whole, we wonder if those constituencies and members of parliament will be representatives, if they will find it easy to work in their constituency and to represent it ably. We find then that the legislator's will has not been complied with in practical matters, and we still end up with something that does not make any sense, with ridings which are too large, which do not respect the natural boundaries of the territory, or which are ill-divided.

Consequently, my remarks will deal with that matter. I would like to get something before I vote on this bill at any stage, and I want to be understood at this stage. Even though I support this bill, as I have said earlier with my colleagues, I want to say to this government, not behind its back but to its face, that I will do my utmost to stop the bill, to kill it if necessary, unless the minister gives us a sound and formal guaranty that the method which will be used by the commissioners in accordance with Part II of Bill C-36 will be more modern and more developed.

The President of the Privy Council said in his opening speech to introduce this bill that he hoped the commissioners would want to set up some sort of a model riding taking into consideration cultural, socio-economic and historical factors. Those are pious wishes. I have good faith in the President of the Privy Council but I do not trust the civil servants who will be responsible for implementing that legislation, and I feel the point I am raising here is extremely important.

Mr. Speaker, we are democratically elected in the riding. I see here the former leader of the NDP (Mr. Douglas) who was the premier of a province and who realizes as I do the importance of representation. When one is elected in a riding, and civil servants who were never elected in their damn life think of a way of implementing legislation passed by Parliament, draw maps no matter how, having fun at night while taking a beer, and make proposals that do not make any sense, one asks himself questions.

I am somewhat radical in my judgment but, Mr. Speaker, that is the situation. But when a member standing up for the interest of his fellow citizens slaves to present a brief begging the commissioners to hear reason so boundaries will respect cultural and local entities, he is very politely received, but his brief goes directly to the wastepaper basket. That is what happens, Mr. Speaker, and I hope the President of the Privy Council will realize that. That is why the Quebec Social Crediters vigorously opposed the last redistribution proposal. Several Liberal members had also opposed it, and rightly so, because the issue that we now raise is beyond political partisanship.

● (1640)

Mr. Speaker, because of the redistribution approach, Parliament had to pass Bill C-208 on July 3, 1973. Why? Because a prop approach had been adopted to establish electoral boundaries.

Mr. Speaker, I think this is extremely important, because in the end, what does Bill C-36 do? It conforms to the amalgam formula that allows small provinces to obtain a fair deal. Bill C-36 is excellent because it recognizes the existence of a province whose population is called average from a statistical point of view. For instance: Alberta and British Columbia.

It respects these entities with an acceptable mathematical formula. In this matter, of course, we regret that out of 13 additional seats coming from the implementation of this bill, there will be only one for the province of Quebec, in the first operation. In fact we will be eligible to get four other hon. members in the next decennial revision.

Mr. Speaker, we regret it, but we will not be among those people who block a bill only for this one reason. As I said earlier, we are not interested in the process now because we find it acceptable, but rather in what will happen afterwards in practice.

This is why we do not intend to turn the House upside down and create problems for everyone, but we will stand fast in order to have a formal assurance from the President of the Privy Council that hon. members will be consulted before the publication of the maps in question. Otherwise, Mr. Speaker, that would again develop into a war, because we shall have voted for Bill C-36 and everybody will be happy because we shall have worked conscientiously without partisanship. However, when we finally face facts, we shall be in a fix that will have been imposed by public servants who do not even need to be elected to get their pay and three meals a day.

Mr. Speaker, I shall give a typical example to prove that that is extremely important. I hope that before agreeing to the bill all hon. members will require from the President of the Privy Council, as we do, a formal commitment that we shall be consulted, not only once the maps have been printed but before so that we shall be heard beforehand if we are not after—here is an example.

In the case of the Lotbinière riding which I have the honour to represent, what was done to follow the famous rule of more or less 25 per cent, that one does not have to be a genius to apply? The municipality of Warwick was to be taken out of the riding of Lotbinière. Warwick is exactly five miles away from Victoriaville which has a population of at least 30,000. Warwick is a heavily industrialized and extremely important city and most of its dealings, whether agricultural or commercial, financial, cultural or educational are with Victoriaville. However, the commissioner decided that Warwick would be part of the Drummond riding, which is sheer idiocy. There is the first surgical operation.

As he still was not completely satisfied, the same commissioner decided to get rid of the riding of Frontenac which is represented here by one of our illustrious colleagues from the Eastern Townships. This resulted in the disappearance of a riding rich in historical memories and prosperous from the mining industry, and agricultural riding with towns as important as Thetford Mines and Plessisville. Our superbrained commissioners just made this riding disappear completely no matter whether they were elected by Liberals or Progressive Conservatives. I cannot condone the disappearance of a riding like that of Frontenac strictly for mathematical reasons and taking into account the "more or less 25 per cent". I quite agree that Montreal should have better representation—I am tickled pink about the idea—but that does not solve the problem of the Frontenac electors. What exactly did this genius of a commissioner do? This genius, to ensure the disappearance of the riding of Frontenac, took his knife, sliced the riding right down the middle and said: the part on the right hand side will go with the riding of Richmond, the one of the left, with Lotbinière.

Consequently, Mr. Speaker, the riding of Lotbinière would have become as big as the present province of Newfoundland, with, in each of the four corners, four different mentalities. How can one conscientiously really represent that riding? There are two alternatives, Mr. Speaker. It is not that I do not want to represent those people, Mr. Speaker, but they have the right to have their representative, and we must respect their entity.

That is why, Mr. Speaker, I feel this bill is important. I see that the Postmaster General (Mr. Mackasey) is present in the House. He is an MP who is very interested in the province of Quebec, since he has travelled all over it. He has visited my riding several times. Furthermore, my vote increases everytime he comes to my riding. It is extraordinary, Mr. Speaker. I am saying it for laughs, but I know he will agree with me.

We of the Social Credit Party of Canada, intend to vote for the bill, but have no guarantee whatsoever that in effect historical and cultural entities would be respected.

Therefore, Mr. Speaker, without resorting to political blackmail or the like, I intend to use every parliamentary method at my disposal to convince the President of the Privy Council, with the help I hope of members from both sides, that members be consulted before maps are published. In this way, commissioners could be made aware of any suggested changes or comments regarding cultural, economical and social aspects before completing their work, which will be an expensive process anyway.

When this is done, Mr. Speaker, I feel the commissioners' retribution will be well earned and people will be happy. What is the purpose in voting this bill if it does nothing more than ensure fair representation of provinces?

In other words, Mr. Speaker, Bill C-36 ensures fair and just representation of provinces in Parliament, by determining the number of seats according to a precise mathematical formula. But I would go one step further, by amending Part II of the bill so that the same principle of fair representation be applied not only at the province level, but also at the constituency level.

I believe we would be doing tremendously positive work if in Bill C-36 we incorporated true participation, fair distribution of seats within provinces, but also a guarantee that we have real constituencies, that is meaningful ones.

Mr. Speaker, I know the constituency of Drummond because it is next to my riding. It is right at the door of the Lotbinière constituency. The same thing goes for Richelieu, Frontenac, and Lévis.

If Bill C-36 is passed, and unless on the other hand we make sure that the commissioners will listen to what the elected representative of the people have to say we will again end up with atrophied ridings as Lévis, and Drummond, amalgamated with Shefford and Frontenac. Mr. Speaker, I talk about my own area because I want to represent its people well. I know my neighbour members, and they are doing a good job. If we can get together, forget our political parties in considering this bill to ask the government to give us a formal assurance, I think that then we will achieve something extraordinary for our fellow citizens.

Let us go back to our respective ridings and say we voted in favour of Bill C-36. Mr. Speaker, let us cry out loud that we stood up for the rights of Quebec and that Quebec will not lose two members but, on the contrary, will win one. Let us say we were all honest and extraordinary in this House, and when they see the map of their riding in the papers they will say, the hon. member for Lotbinière betrayed us, and so did the hon. member for Drummond (Mr. Pinard). They will then say to the hon. members for Drummond, Frontenac, Lévis, Lotbinière, or Trois-Rivières, we do not want to be out of your ridings. That is when the trouble begins. What can we do in those cases, Mr. Speaker? Absolutely nothing, or close to it, if the present methods are maintained, except to get together and introduce a notice of opposition in this House, as we did on July 7, 1973.

At that time, Mr. Speaker, the hon. members for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard), Montmorency (Mr. Laflamme), Montreal-Bourassa (Mr. Trudel), Gaspé (Mr. Cyr), Témiscamingue (Mr. Caouette), Saint-Maurice (Mr. Chrétien), Lac-Saint-Jean (Mr. Lessard), Berthier (Mr. Yanakis), Lapointe (Mr. Marceau), Matane (Mr. De Bané), Lotbinière (Mr. Fortin) and Pontiac (Mr. Lefebvre) signed a paper free of any political partisanship to stop the work of the commission because it did not make sense. They said that they objected for the following reasons:

(1) The Commission made no allowance for geographic and economic considerations, and ignored or neglected problems of communication within and between the proposed districts;

We object—the signers—for a second reason:

(2) Except for Montreal, physical, social and economic cohesion is ignored in the proposed districts,...

We should note the fact that our arguments were then devoid of any partisanship.

... thus destroying communities of interest and making adequate representation practically impossible;

That, Mr. Speaker, is what we should be aiming at now. It is advisable to do it now. Let us not wait to vote Bill C-36 because the sword of Damocles will be hanging over us on December 31.

Our weak point, and an unpleasant one too, in the House is that we act at the last minute. Every year, it is the same old story. Before Christmas we are in a hurry, we are blackmailed into working; if you want to to go on vacation, pass this, if you do not want to, don't. Finally, everybody thinks of his family and does act, to find himself after the recess with bills which he regrets having endorsed. We have a chance, for Parliament is supreme and it can decide what it will do with that act. I agree that that bill should be passed for December 31, but on the strict condition that I may change any proposition that will not respect the cultural, social and economic identity of Lotbinière, Drummond, Frontenac or Lévis.

Mr. Speaker, I am very anxious to emphasize that I am fed up with having electoral boundaries imposed on me by pen pushers lording it in their ivory tower, who know nothing at all, not even where Victoriaville, Sainte-Croix, Princeville or Warwick is situated. They say: Drummonville is where people wanted to have an international airport, and they burst out laughing, but they simply do not know where it is.

Mr. Speaker, it is high time for members of parliament to come down to earth, to support one another on a non-partisan line and to ask officials to act according to our own identity. That is why, Mr. Speaker, I am today the same man as I was on July 7 when some Liberals asked me to sign this; that is why I intend to fight down to the end so that the President of the Privy Council, who does not listen to us, gives us this formal assurance, otherwise I can tell him that his bill shall not pass.

● (1650)

[*English*]

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, there are times in parliament when a member speaks for his constituency, times when he speaks for his province and times when he speaks for the country. It seems to me that, in discussing a bill dealing with redistribution, at this stage one must speak for one's province, since the thrust of the legislation before us has to do with provincial representation. I take to heart the admonition that we are not dealing now with divisions inside a province but with divisions inside the country as a whole, designed to ensure that each province would be represented by a certain number of members in this chamber.

The province from which I come is not a creation of the government of Canada. It had an existence of its own, and government and institutions of its own, prior to its entering into confederation. In preparation for this debate I turned again to Margaret Ormsby's "History of British Columbia" to which it always gives me pleasure to refer—not only is the author a native of British Columbia but she is a native of Vernon in my own constituency. In her words, "Without British Columbia there could be no

Canada on the Pacific and the thought of this filled (its inhabitants) with inordinate self-satisfaction." I should like to say to the President of the Privy Council (Mr. Sharp) that this state of self-satisfaction is probably not so great now as to lead the people of that province, or their representatives, to accept a redistribution bill which leaves us too far short, in comparison with our situation in terms of population.

Miss Ormsby went on to say, referring to the leader of the delegation which came to Ottawa to discuss the subject of confederation, a delegation to which a very generous proposal had been made by the Conservative government of the time, led by Sir John Macdonald:

In the capital, he found among the Liberal members of the House of Commons unqualified opposition to the generous offer which had been made to British Columbia.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Fraser Valley West (Mr. Wenman)—Environmental Affairs—Export of water to United States—Government position. Request for explanation of former minister's position on export of water.

It being five o'clock, the House will now proceed to the consideration of private members' business, namely, notices of motions and public bills.

● (1700)

PRIVATE MEMBERS' MOTIONS

[*English*]

INCOME TAX ACT

SUGGESTED EXEMPTION FOR COSTS OF TOOLS PURCHASED BY MECHANICS

Mr. Jim Balfour (Regina East) moved:

That, in the opinion of this House, the government should consider the advisability of introducing a measure to amend the Income Tax Act to provide that, for the purpose of computing the income from his employment, a mechanic may, in addition to any other deduction to which he may be entitled, deduct the cost of tools or other supplies required in the performance of the duties under his contract of employment.

He said: Mr. Speaker, I would like to preface my remarks by pointing out to the House that this suggested amendment to the Income Tax Act is, in principle, neither novel in its approach nor radical in its extent.

Reducing the inequities of personal income tax measures was one of the fundamental aims of the Carter tax reform movement, and those familiar with that particular era in tax reform history will recognize many of the arguments I offer today.

[Mr. Johnston.]

A simple reiteration of the pros and cons of allowing deductions to certain classes of employees would seem like a futile exercise, but I strongly believe that the nature of the inequity I have singled out, coupled with the changing environment that this class of individual works in, warrants our sympathetic attention.

A brief review of the basic principles of personal income calculation for better taxation purposes might be helpful in order to judge better whether this proposed amendment conforms to those principles, and also whether the status quo contravenes these principles.

There are three basic rules of deductibility that are applied to income calculation. The first rule holds that expenditures reasonably related to the gaining or producing of income should be deductible. This permits the deduction of any expenditures made with a reasonable expectation of profit, or made as an incident of earning income. The second rule holds that expenditures should only be deductible to the extent to which they are reasonable in the circumstances. Lastly, to enforce the first two rules, expenditures of a personal nature are explicitly denied deductibility.

There are, then, two aspects of the general rule of deductibility. On the positive side, all expenditures reasonably related to the gaining or producing of income should be deductible; and on the negative side, any expenditure not so related should not be deductible.

The Carter Commission in its report pressed for reflection of both these aspects in legislation, but in retrospect it is clear that in some cases they were not so reflected. I can appreciate the difficulties involved in trying to apply basic principles across the board to a populace with as varied occupations and incomes as Canadians have, because not all taxpayers incur the same expenses, a fact which raises inequities if simplistic formulas for deductions are used. Not all expenses are directly related to gaining income, which leads to the abuse of tax privileges.

I am convinced, however, that the class of employees I have singled out is, by virtue of exclusion from the right to make itemized deductions, subjected to a significantly greater personal tax burden, a situation which cries out for reform. The capital expenditures necessary to supply the tools of their trade have to be absorbed by such taxpayers without benefit of tax deductions or exemptions, except for the 3 per cent, with a $150 maximum, for employment expenses.

I have ascertained that for some tradesmen in the automotive field an investment of $3,000 or more for tools is not uncommon, and ongoing expenditures of $900 or $1,000 per year can easily be made to replaced tool inventory. The dilemma of the policy maker trying to alleviate this problem is apparent.

If a high standard deduction is used to eliminate a large part of the differential advantage bestowed on those who are entitled to itemized income earning expenditures, the end result is a mere narrowing of the tax base rather than a constructive reform of the tax system. A preferable solution might be to go to the source of the difficulty rather than rely on a method such as the standard deduction which tends to crystallize inconsistencies into the tax system.

The Carter report reviewed these inequities and suggested:

> That there be a more liberal approach than currently existed to employee expense deductions . . .

The report suggested further:

> That the employee should be entitled to substantiate a larger deduction if he could do so.

The final effect of its recommendations on the nature of reforms in tax law is now history. The formula for all employees was an employment expense allowance of 3 per cent of income up to a maximum of $150, for a total cost of $235 million to revenue.

The government rationale for having dismissed the recommendation is that millions of taxpayers are involved and that a very wide range of expenses could be related to earning their employment income. It is contended that these taxpayers do not keep detailed records and that the government has found no practical way to permit employees to deduct actual costs as do those carrying on a profession or other business. I am sure it is hardly necessary to remind you, Mr. Speaker, that administrative convenience has never been an acceptable reason for neglecting to amend a poor law.

What represents even poorer judgment was the statement that:

> The government believes these expenses, that is employment expenses reasonably related to the earning of income, are not generally as high as implied by the commission. It would be costly, and inequitable to others to permit substantially more to be deducted by means of a formula than was normal in typical cases.

This is hardly a credible argument when both the United States and the United Kingdom have instituted measures to compensate for this very same inequity. The United States gives a sufficiently large standard deduction to cover most claims, and the United Kingdom has agreements with industry for flat rates. Both result in giving tax relief in some cases where it is not necessary or justified, but it is felt that they mete out a rough justice.

Bearing no more credibility was the argument advanced by government that the administrative difficulties would be enormous. It said:

> It would be impossible to check expense claims to prevent abuse and evasion.

That was the suggestion according to government apologists. It was further contended that:

> The appointment of additional staff plus the loss of revenue that would accrue from such allowances might even lead to higher taxes.

The fact that self-employed professionals are allowed deductions for materials and equipment consumed in income-earning activity clearly establishes the fact that it is not administratively impossible to audit such expenditures for tax purposes. Such poorly substantiated explanations have led many people to believe that this group was simply not blessed with enough political clout when reform measures were being debated. Reviewing briefly tax appeal board hearings lends some credence to this suspicion.

It is often admitted that expenses voluntarily incurred by an employee were incurred for the purpose of producing income, but there is no provision contained in the act by which a deduction from income can be allowed.

The following submissions to the public hearings in 1970, leading to the white paper on tax reform, show that the problem was at least exposed.

On tax reform the government of Ontario said:

> The white paper proposes to remedy the unfair treatment of ordinary wage and salary earners by establishing a 3 per cent employment expense allowance with a $150 ceiling.
>
> This ceiling should be increased to $300 with an option provided for the deduction of certain employment expenses on an itemized basis.
>
> This could ensure approximately equal treatment for employment and self-employment or business income.

The Canadian Bar Association said:

> The proposal to allow employment expenses of 3 per cent of employment income up to $150 per year without documentation would be unfair to non-employees and also to those employees who spend considerable amounts in earning their income.
>
> Allowance for all reasonable and substantiated expenses should be provided.

The Canadian Labour Congress said:

> The government acceptance of the principle that employees' expenses should be deductible for tax purposes as has long been the case for business and professional expenses is welcomed.
>
> However, the proposed formula falls short of what is required by many categories of workers whose outlay is much greater for such items as special clothing and replacement of tools.
>
> The Royal Commission on Taxation was much more realistic in recommending a $500 maximum deduction for this purpose.

Some briefs pointed out that the maximum of $150 a year is too much for some employees and far too little for others. The proper solution would be for all employees to be entitled to submit detailed and authenticated expense claims, with the alternative option to claim a flat allowance, based on a percentage of gross earnings with a ceiling.

● (1710)

There is no valid reason that those who have higher expenses should not be permitted to itemize and claim them, if properly substantiated, and justice would be done. Most briefs have advocated that this choice be given. It may be noted that in the United States employees may itemize and claim deduction of all ordinary and necessary expenses in the same way as the self-employed.

I therefore urge, because the principle is one of equity, that this be favourably considered and that employees be given the option to itemize, substantiate and claim deduction of all expenses, laid out or incurred for the purpose of gaining or producing income. I can accept the excuse that this particular point was lost in the turmoil of a tax review as extensive as that undergone in 1972. However, the dust has settled and I am struck by the obvious inequity that has resulted from ignoring the special case represented by mechanics and tradesmen who must incur substantial personal expenditures of tax paid dollars to carry out their work and who are not compensated in any way for this burden.

A persistent refusal to amend the law is nothing but a tacit admission that employees must bear a higher burden of taxation than other groups of taxpayers. I introduced this motion by saying that the working environment for the individuals in question here has been undergoing changes relevant to this argument. Outside of double-digit inflation rates, which the government is not prepared to

admit is a real problem, and apart from a recession in the United States economy that will affect the automobile industry in Canada, there are other factors. Let me present the possible effects of Canada's movement toward conversion to the metric system.

Without discussing the other ramifications of such an overhaul in industry, consider the cost to be borne by groups such as mechanics and tradesmen who will be affected by such a change in their working environment. It is estimated that the cost of the new metric tools will range from $250 for the sub-trades to as much as $3,000 for tool and diemakers in certain specialized shops.

For the older workers in particular, it would be most unfair for the government to insist that this cost be met out of their own pockets. The labour organization sector believes that if the labour standards codes of the federal and provincial governments are not revised to shift the cost to the employer, then the Income Tax Act should be amended to permit working people to write off the expense as income deductions.

May I summarize by pointing out that the problem is quite simply that the unfair discrimination between employee and the self-employed arises primarily because the self-employed can, in computing their business or professional income, deduct all reasonable expenses incurred for the purpose of producing such income.

Employees, on the other hand, in computing their income from employment can only claim a few specified deductions as set forth in the Income Tax Act, and no other deductions whatsoever. Skilled manual workers are particularly affected by this stringent limitation on deductions.

A basic and fundamental feature of an income tax system such as ours is that it must not only be fair in its burden as between various groups of taxpayers, but it must be seen to be fair. I submit, Mr. Speaker, that the act fails this test in its discriminatory effect on the group of taxpayers whose cause I plead today.

Mr. Bob Kaplan (York Centre): Mr. Speaker, I rise today to speak in favour of the resolution before us that would call for an amendment to the Income Tax Act to permit salaried employees to claim deductions for the tools and supplies for which they must spend money out of their own pockets in order to perform their jobs. Under the present Income Tax regulations they are not allowed to claim such a deduction. This is a problem that has existed in Canada for very many years.

When I first came to this House I came from an income tax practice in which I was very well aware of the discrimination which existed. A businessman or self-employed person was allowed to deduct all the expenses actually incurred to the extent they were reasonable and incurred in the course of earning income. In the case of a salaried employee, many of whom are required to turn up for work with their tools in their hands, no such deduction is permitted.

I would like to refer to an income tax case which illustrates the kind of inequity that existed. I refer to the McKay case which came before the Tax Appeal Board in 1958. The working man in that case was a bass violin player, who played for the Toronto Symphony Orchestra and who also did freelance work playing for private gatherings.

The practical effect of the Income Tax Act in respect of that individual was that when he took his instrument with him in a taxi when he went to play at a private gathering, he was allowed to deduct the cost of the taxi because he was then self-employed. When he went out to play for the Toronto Symphony Orchestra although the taxi expenses were exactly the same he was not allowed to deduct those expenses because he was considered to be a salaried employee even though he received no reimbursement from his employer for taxi expenses. This inequity, which favours the self-employed person at the expense of the employed person, was not removed by the income tax reform which so excited this nation and occupied the time of this House in 1970 and 1971.

There was a remarkable breakthrough at that time in that the white paper on tax reform proposed that such expenses of a salaried employee—a carpenter, a plumber, an automobile mechanic, a diemaker or a toolmaker—should be deductible, but only to the extent of $150 or 3 per cent of income, whichever was the lesser. This is a very serious discrimination against the salaried employee because it tells him that even though his expenses may be higher, and even though they may be necessary in order to retain his job or perform his job, they are still not deductible.

I was a member of the House of Commons Standing Committee on Finance, Trade and Economic Affairs when the white paper on tax reform was before it. We received a number of briefs, heard a number of witnesses and were sent many hundred of letters from working people on salaries, pointing out this inequity and asking that salaried people be allowed, like the businessman or the self-employed person, to deduct all expenses to the extent that they were necessary and reasonably laid out in the course and for the purpose of earning a living.

If I may, I should like to read to this House the view that was taken by our committee in its report. We looked at the limit proposed by the Minister of Finance, and this is what we had to say:

> It has long been recognized by taxpayers, and by the courts—both here and in Britain—that discrimination exists in the tax system against employees in the matter of deductible expenses. The self-same expenses are often deductible where a person is self-employed and not deductible where he is an employee; the height of absurdity is reached when one person acts in both capacities and receives different tax treatment for the same expenses.
>
> Recognition by the government of this discrimination, through the White Paper proposal to allow employees a certain measure of relief, has been generally welcomed.
>
> Its form, however is open to criticism. Some briefs have pointed out that the maximum of $150 a year is too much for some employees and too little for others. Those who do not in fact incur many, or any, expenses would benefit unduly; those who incur more than $150 would be unjustly penalized.
>
> The ideal solution would be for all employees to submit detailed and authenticated claims, but the problems of administration and compliance that this would involve, and for very little result, seem to rule this out and to make some flat allowance, based on a percentage of gross earnings and with a ceiling—as proposed in the White Paper—the only practicable way to deal with the majority of employees.

● (1720)

There seems to be no valid reason, however, why those who have higher expenses should not be permitted to itemize and claim them, if properly substantiated. Since it seems likely that relatively few employees would avail themselves of this, the administrative burden would probably not be unduly heavy—probably not nearly as heavy as that involved in handling the claim of the self-employed—and justice would be done. Most briefs have advocated that this choice be given.

It may be noted that in the United States employees may itemize and claim deduction of all "ordinary and necessary" expenses in the same way as the self-employed. Employees are still not quite as generously treated as the self-employed, however. The self-employed may deduct all "ordinary and necessary" expenses from gross income in arriving at "adjusted gross income", and take the standard deduction as well, while employees may deduct from gross income only expenses in four specified categories—reimbursed expenses, travel expenses away from home, transportation expenses and expenses of outside salesmen—and must then make either the standard deduction or their itemized expenses. However, United States tax law does recognize the basic principle that an employee has a right to deduct ordinary and necessary expenses incurred in carrying on his work.

We note that the revenues cost of the White Paper proposals to allow the employees' general deduction, moving expenses and others amounts to $235 million;

If I may interject, this was $235 million of extra deductions that had not been permitted to salaried employees before the white paper. The committee proceedings continue:

... we therefore hesitate to suggest that employees' deductions should be broadened.

Here is the part I want to recall for the House.

We recommend, however, because the principle is one of equity, that this be considered as soon as revenue needs permit, and employees given the option to itemize, substantiate and claim deduction of all expenses "laid out or incurred for the purpose of gaining or producing income", in the same way as the self-employed now do ...

When we said that, we meant it. We were not simply trying to make up a face saving excuse to use with working people.

In concluding I would like to draw the attention of the House to an interesting comparison. In 1970, when we put out our report, the gross national product of Canada was $85 billion. In 1974 it is estimated that the gross national product of Canada will be $140 billion, nearly twice as much as it was in 1970. I submit that revenues do now permit this inequity, that has existed since long before tax reform and that has continued through tax reform, to be removed and for the salaried employees to be given exactly the same breaks as the self-employed now enjoy.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I will only take four or five minutes to express my support for the motion moved by the hon. member for Regina East (Mr. Balfour). This has been almost an annual motion, or an annual private member's bill, or both, for many years in the House of Commons. I can recall other years when there was hardly any disagreement, particularly from private members, on all sides of the House on this issue. I have yet to hear anybody rise to speak against such a motion. So I and others do not need to say much more on the matter.

I am assuming, since I am not a lawyer, that because the hon. member writes the word mechanics with a small "m" in the motion that it covers all other trades as well. That being the case, it illustrates how wide the discrimination is, as mentioned by both previous speakers.

The government has given the excuse many times of the administrative nightmare that this would involve, an excuse which I do not believe nor accept. In fact it seems to me that a very simple process would be to have an employer sign a statement of verification of the tools purchased and required by the employee in the earning of his income.

I think we can assume that 99 per cent or more of employers and employees would be honest and fair and would not try to obtain unfair advantage through the tax laws. This discrimination should have been ended long ago, and since there is agreement among members of all parties I urge that the motion be passed.

Also, I want to make a point that I have made almost annually since I came to this place, that in the case of private members' motions I see no difficulty in members on the government benches letting these motions pass when there is unanimous or near unanimous agreement from members of all parties. Private members' motions place no stricture on the government; they do not require the government to do anything. All they do is to ask the government "to give consideration to" or "consider the advisability of" something. There is nothing requiring the government to implement it. This would give the government the sense of members of the House. Surely this is part of our procedure in which members from all parties in the back three or four rows can have some input, in terms of offering advice to and making requests of the government, and it comes in a relatively non partisan manner.

I think it would be a credit to the House to let a motion such as this go through, and I am confident that the government will give serious consideration to the advisability of doing what the motion seeks. But there is nothing which says that it must do so. However, it would certainly give ministers an indication of how members in all parties feel, and it would give backbench members on the government side an effective role to play. It is an opportunity for them to provide a further input into matters which the government might consider. So I plead with members on both sides to let this motion pass now, and thus we can have supper half an hour earlier.

Mr. Ralph E. Goodale (Assiniboia): Mr. Speaker, may I say, as I begin, that it is a pleasure to participate in this debate. I gather from the hon. member for Regina-Lake Centre (Mr. Benjamin) that it is not a new subject for debate in the House, but I am happy to participate in it because of the significance and importance of what the hon. member for Regina East (Mr. Balfour) is proposing, and also because of the fact that the proposal comes from him. I have found that generally the contributions he makes to the House are worthy of further thought and consideration, and I am happy that we are able to give that initial kind of consideration to what he has to say on the matter.

I must say, as my colleague on this side of the House said earlier, that I have considerable sympathy for the basic sentiments behind the motion put forward by the hon. member for Regina East. In a general sort of way and in a specific way we have all given a great deal of thought,

in a period of inflationary pressures on all of us, to Canadians in the middle or lower income scale who probably feel the impact of inflation more than most Canadians, and who are the least able to defend themselves.

We see measures coming forward from time to time, such as increased family allowances and pensions in the last parliament, income tax indexing—and in the budget of a couple of weeks ago, personal tax cuts, measures to protect personal savings, special consideration for senior citizens, housing incentives and other measures that are all in the spirit of assisting individual Canadians to manage their own budgets to the best advantage possible as they go about their own personal struggle against the problems of inflation. Most of those measures I have mentioned, and I suspect the one that the hon. member for Regina East (Mr. Balfour) is proposing this afternoon, have their greatest beneficial impact upon the middle and lower income earner. We have all welcomed proposals of this kind from time to time and I think that is the spirit in which the hon. member makes this proposal.

● (1730)

I do not think any of us should underestimate the real contribution of that vast group of middle income earners in this country. Among them are a good many mechanics who, I suspect, pour a good many dollars into the economy every year. They are a crucial part of the economic lifeblood of the nation and so often their interests and concerns might be taken for granted. They do not seem to make too many waves and, as we know, it is often the old squeaky wheel that gets the most attention from all levels of the government.

The motion before us offers some recognition of the problems of the middle group. It specifically requests that mechanics be allowed a special deduction for the cost of tools, and so forth, that are necessary for their employment. I am sure the hon. member is aware of some of the difficulties inherent in the situation and he referred to them when introducing the motion. These difficulties should not be put aside too lightly. I am not persuaded they are reason enough for not proceeding with some consideration of the proposal, but we should be aware of them so that we can be better prepared to deal with them and accomplish what he is suggesting.

Traditionally there has been a distinction between income from business and income from employment. Expenses were deducted from the former but not the latter. Perhaps we have now moved past the point where such a distinction is reasonable or logical, and that is what my friend on this side of the House was pointing out. We are in the position now to go beyond such distinctions. Indeed, we might be making a move new to the industrialized world. I understand from the remarks of the hon. member for Regina East that the American tax law may have provisions similar to his proposal, but in most industrialized western states the law compares with our own. Of course, that is not any reason for not moving into a new field.

In theory an employer is supposed to provide the necessary tools of the trade for his employees, and his expenses are therefore deductible. If an employer does not pay those expenses, they are thought to be unnecessary. That sounds

to me like a legal fiction and in some cases no doubt it is. For the majority of Canadians, however, it would seem that the fiction equals the fact. In most cases, an employee need only present himself at his place of work, and his tools and supplies are waiting—whatever they may be, from a paper clip to a shovel, a truck, a million dollar computer. The problem arises when, for one reason or another, the traditional and historical practices of the trade are that the employee must pay for his tools and equipment himself. That is where the legal fiction begins to miss the mark. No one can deny that in several instances employees—perhaps mechanics amongst them—expend a considerable amount of money each year in supplying themselves with equipment. Given such situations, should we allow the legal fiction to prevail for mechanics or make an exception?

Some time ago the government offered a basic measure of relief. A taxpayer who is employed may each year deduct 3 per cent of wages, to a maximum of $150, for work expenses. There is also a technical provision for an employee to deduct the cost of certain materials consumed in the course of his duties. Other than these provisions, up to now there has not been any special deduction for the extraordinary expenses of some employees. The reasons for this are pragmatic and practical and are essentially because of the difficulty in administration.

First of all, I suppose there is the problem of defining exactly the employee's occupation. The hon. member for Regina-Lake Centre (Mr. Benjamin) mentioned that the word "mechanic" was not capitalized in the motion and could, therefore, be presumed to include a host of other occupations that would not in the ordinary sense be regarded as mechanics. I am not sure that is correct. If an exemption or deduction were provided for mechanics, the word should be defined very carefully. I do not suppose a tax lawyer would have any difficulty in concluding that an automobile mechanic would qualify, but there might be some question about an instrument maker or a millwright. Perhaps we might want to expand that definition beyond the technical and narrow word "mechanic". There might be a host of borderline cases that could bring themselves within the definition. Essentially it is a problem for the courts eventually. But I have some reservations about the use of the word "mechanic" per se and would like to see the amendment cast more broadly.

Mr. Benjamin: Mechanics' lien applies to all of those.

Mr. Goodale: Perhaps it does, but I am not sure that this would. I should like to see a proper definition so that all employees who are required to bring their own tools to the trade would be included.

The problems that have traditionally afflicted this kind of proposal are administrative and not insurmountable. I have hinted at one or two of my minor concerns about this proposal, Mr. Speaker, but in summary there are three questions that come to mind. First, should we make a special deduction for mechanics per se? Second, should we broaden the definition to include employees who maybe, depending on the interpretation of the word from time to time, excluded from the definition? Should the definition be as broad as we can make it? Finally, instead of working around a definition should we try to approach it by

making the basic exemption more generous? In his opening remarks the hon. member for Regina East seemed to indicate that might not be the ideal approach. I do not want to paraphrase him unfairly but I think he said it could "crystalize inequities in the law". He was referring to their being embodied in the law, without being removed, although their impact might be moderated. We must consider these ideas when we consider the kind of proposal now before us. Most members of the House feel sympathy for the sentiments expressed by the hon. member in bringing his proposal forward.

● (1740)

As we consider the deduction for tools which a mechanic or other employee may need for his work, I hope we shall also consider the more general issue of a broader range of tax deductions which would affect lower and middle income earners and provide for them some further protection in their personal battle against inflation. We can deal with the particular matter before us now and recognize, at the same time, that a much broader cross-section of Canadians is fighting the same battle and that inflation for all is a problem. We should consider possible tax deductions as relief for them as well.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I rise to support the proposal of the hon. member for Regina East (Mr. Balfour). I remember many similar types of proposals coming before the House in times past. Let me put forward this argument to members on the government side: Over and over again, after parliament had expressed its will, its will had been thwarted by the actions of civil servants or other officials who are responsible for carrying out the instructions of parliament. For example, members on all sides of this House have said for many years that charging federal excise and sales tax on articles bought by a municipality is not fair. After years of pressure the government of that day, the Diefenbaker government, passed legislation exempting articles bought by municipalities from excise tax and sales tax. Yet, although this House passed that legislation, it was never fully implemented because of a quirk in the regulations. It took another amendment of the law, brought forward under the 1973 budget provisions, to correct this anomaly. These regulations were enforced not by ministers, not by parliamentarians, but by civil servants. I am now referring to the ways and means motion connected with the 1973 budget which finally removed excise tax on trucks bought by municipalities.

The second situation to which I refer is still continuing. About a year ago parliament passed a law saying that family allowances could be raised to $20 per child. However, regulations made by civil servants and not by this chamber stopped family allowances being paid in cases of children whose parents had both died. The minister has recognized this anomaly and said he will correct it. I first raised this matter in March, and here we are in December and it still has not been corrected. This situation is absolutely immoral. A child with one parent is eligible for family allowance; but if both parents die, that child is not eligible for family allowance. I hope this situation will be corrected. Parliament must speak loudly and clearly, to let those who draft such regulations know that we are following what is being done. If the will of parliament is ignored, as it has been often, we should speak up loudly.

The proposal to allow mechanics and other similar employees to deduct the cost of their tools from income has been made many times. It was before the House when the government considered the so-called tax reform. When the committee considering that bill met, it heard speaker after speaker recommend that such employees be not discriminated against. Everyone knows that if a man works in an automobile producing plant, the company provides the tools; if a man works in a plant producing electrical components, his working tools are supplied by the company. If a tool wears out or is broken, the company writes off its cost against income. But if a man happens to be a tradesman—the common expression is, a mechanic—and he works for an employer owning a small business, he must buy his own tools simply because the employer knows that if the employee buys his own tools he will take better care of them and not lose them. If we impose on that employee the burden of buying his tools and do not allow him to deduct their cost from his income, we are discriminating. Our Income Tax Act discriminates in this way against a very large and necessary group in our type of civilization.

I suggest that we allow this proposal to pass, if only to jolt those senior civil servants, those mandarins, who are responsible in this area and to let them know that this House does not think that this discrimination against the man who works with tools should continue. I have a personal reason for speaking on this matter. I represent a rural area. The backbone of our small communities consists of mechanics who service industries in our areas. Too often they see others idling, enjoying the so-called benefits of unemployment insurance. The idlers come into their shops and say, "Why don't you get smart and go on unemployment insurance?" These mechanics, because they are badly needed, are never unemployed and therefore never take advantage of unemployment insurance benefits. In addition they must carry the burden of the cost of their tools. The fellow across the street who works in a law office does not pay for the materials with which he works; but the working man who works in the garage or machine shop must at present bear the full cost of his tools.

I hope that this grievance of this backbone of our work force can be eliminated, and that the minister will do so before the next budget. I hope, in the interests of humanity and fairness, that the House will not talk this proposal out. I hope it is implemented and that the minister will correct this injustice.

[*Translation*]

Mr. J.-J. Blais (Nipissing): Mr. Speaker, it is a great privilege to take part in this debate—

Mr. Knowles (Winnipeg North Centre): Old reliable!

Mr. Blais: —and, contrary to what the hon. member for Winnipeg North Centre (Mr. Knowles) may think, I do not intend to speak on this bill until 6 o'clock.

Indeed, I wanted to indicate my support for the bill introduced by the hon. member for Regina East (Mr. Balfour), because I feel this is a motion which must be adopted of necessity. In fact, I have already made recommendations and representations to the minister on the subject matter of this motion.

It is a fact, Mr. Speaker, that the hon. members who have already spoken about this bill are, for the most part, people who live in developing centers. When we consider that these include the hon. member for Regina East, the hon. member for Assiniboia (Mr. Goodale) and the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) we realize that this is indeed a motion of particular interest to the people of developing areas.

When I made those representations to the Minister of Finance (Mr. Turner), Mr. Speaker, I was led by four considerations. The first was that the matter involved was a discrimination against workers in the north. Evidently in urban centres, the issue is that most of those workers are paid by industrialists, large companies which can deduct expenditures for tools.

Unfortunately, in the north we find skilled workers who go from a company to another because there is a shortage of work and they must travel with their tools. Of course, things are more difficult, because they are unable, through the companies which hire them, to deduct part of the cost of their tools. This stands to reason. I only have to give as example the forestry worker who has to use a power saw. Naturally he is not allowed to deduct his expenses to save a few dollars which the company which hires him could effectively do it.

The second thing that worried me was this, and no mention was made of it. When I made representations to the minister, I included transportation expenses in the list of deductions. Of course, these expenses are also included in deductions the member for Regina East appears to be attempting to justify. I also believe worker's transportation should be deductible.

Indeed, Mr. Speaker, a number of small towns in my constituency have not enough jobs for the workers, so those have to look elswhere for work. Evidently they have to travel to find work in larger centres. I am thinking of a town like Sturgeon Falls, located in my riding, where lack of work forces people to go either to Sudbury or North Bay to find jobs. These workers are mechanics. They cannot deduct travel expenses. They have to live in Sudbury during the week and cannot deduct those expenses either. Clearly, these people finally tell their families: Since I may not deduct expenses, I am going to locate in the city. And by that they mean North Bay, Sudbury, Noranda or even Toronto or Winnipeg.

So they leave their hometown to locate in some larger centre, which reinforces a tendency to concentrate in cities. And so we have a depopulation of centres traditionally recognized as needed for the continuation of the Canadian way of life. This has not been taken into account. Within the context of the overall motion before us, I believe such considerations should be brought to the minister's attention.

[Mr. Blais.]

• (1750)

[*English*]

The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) indicated that this House should express its views, evidently in this particular context. I have been in the chamber since the beginning of this discussion, and there is no doubt that members of all parties who have expressed their views agree that this resolution merits very serious study.

The question of discrimination was pointed out. I am a practising lawyer. I am allowed to deduct my practice expenses, including law books, from my income. A doctor is entitled to depreciate his equipment, as is a dentist. However, a common mechanic—and I agree with other members that a mechanic should be included in the classification we are considering—is not able to do that because he is an employee. He cannot deduct his expenses such as tools, travel expenses and room and board. I think the government should give immediate consideration to those particular measures.

Some hon. Members: Hear, hear!

Some hon. Members: Question.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it always amazes me that with two or three minutes left in an hour's debate, the members who favour the motion having spoken for 57 minutes, someone who might have something to say is cut down to only two or three minutes and there is shame involved for taking that particular stand.

We have before us today a motion that has been advanced very seriously by the hon. member for Regina East (Mr. Balfour). He was very fair in pointing out there is nothing novel about this motion. I believe the hon. member for Regina-Lake Centre (Mr. Benjamin), who is not here at the moment—and I do not make anything of that—has introduced this motion, or something similar to it, in the past. Private members' hour is an avenue that is used from time to time to express something that should be given consideration by the government. The hon. member for York Centre (Mr. Kaplan) read from the minutes of the Standing Committee on Finance, Trade and Economic Affairs which, I believe, sat between 1968 and 1972. He indicated that the view being presented by the hon. member was one that had won acceptance of that particular committee, but the committee was honest enough to point out that there were administrative pitfalls.

There would be a form of discrimination if this were allowed to mechanics who are employees. I am not nitpicking about mechanics, including the other trades referred to by the hon. member for Assiniboia (Mr. Goodale). However, there would be a discrimination against other employees.

I was surprised when the hon. member for Nipissing (Mr. Blais) said that as a lawyer he could write off the cost of his law books. I am sure he has a very large practice. Now that he is a member of parliament, he may have to hire a lawyer who would be an employee. That employee would not be allowed to deduct the expense of the books he brings into the particular business.

That is the distinction that is made here. Maybe the distinction is out of line. Maybe there should not be that kind of distinction. But how far do we open the gates? Do we say that no longer in the income tax law are we going to distinguish between the individual who is employed and the individual who is the employer, and there is no difference between the forms of income that are earned? The entrepreneur sticks out his neck, gets a business going, spends money on equipment and material, creates jobs and hires people. The people for whom he has created those jobs, in the final analysis, would derive the same benefit as the entrepreneur. This motion loses sight of that.

Recognizing there is some merit in this argument, the government went part of the way with the 3 per cent or $150 deduction. Speaking personally, I do not think it is enough. I believe it should be higher. If the opposition had not spoken so long, I would have been able to expand on that.

Mr. Deputy Speaker: Order, please. I deeply regret having to interrupt the hon. member, but the hour appointed for private members' business having expired, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

REPRESENTATION ACT, 1974

MEASURE TO PROVIDE FOR REPRESENTATION IN THE HOUSE OF COMMONS AND ESTABLISH ELECTORAL BOUNDARIES COMMISSIONS

The House resumed consideration of the motion of Mr. Sharp that Bill C-36, to provide for representation in the House of Commons, to establish electoral boundaries commissions and to remove the temporary suspension of the Electoral Boundaries Readjustment Act, be read the second time and referred to the Standing Committee on Privileges and Elections.

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, at five o'clock I was referring to our own provincial historian and to some of her comments on the negotiations which brought us into confederation. There is one more interesting reference I wanted to add from her history. She refers to all six of the members of parliament heading down to Ottawa for their first federal parliament. That is all there were at that time. The population was not very large, because Miss Ormsby, my historian, says:

> We learned that provincial representatives had endeavoured to enlarge their representation by over-estimating the population of their province.

Things have changed a great deal in that regard since entry into confederation. Yet there are other things which have not changed. The President of the Privy Council (Mr. Sharp) made an eloquent plea for a non-partisan approach to the bill. Yet this, of course, had everything to do with politics and one is suspicious of the terms the far western provinces are getting under the proposals for redistribution. He described them at the beginning of his address as new and equitable. New, certainly, but equitable, never. Here I differ from the hon. member for Winnipeg North Centre (Mr. Knowles) and his simplistic explanation of the bill. There are not three groups involved, there are five, because the bill in its totality covers the territories.

Mr. Sharp: It does not cover the territories.

Mr. Johnston: It covers the very small provinces, the small provinces, establishes a category of medium provinces, and goes on to categorize a group of large provinces. All these things must be taken into consideration as one looks at the bill and the table showing representation in the House of Commons, because the public in the west will consider them all when looking at the share allotted to the West, and will ask questions about it which are difficult to explain, particularly in our province of British Columbia where the growth is very rapid.

I should like to read from an article by Nick Hills, writing in the Vancouver *Province* of Wednesday, October 23, in which he speaks of the rapid growth of our population and the concern it brings to the province. He says:

> The tide of migration into B.C. from other lands and other regions of this country has become so strong that the province has virtually lost control of its future growth.
>
> Between 1970 and 1974, the province's population shot up by 12.5 per cent, more than double the national increase of 5.4 per cent. But between 70 and 80 per cent of this increase was beyond control of British Columbians.
>
> Regional planners for the Greater Vancouver district now estimate that more than three-quarters of this area's population rise is being caused by migration. They have broken it down this way: 40 per cent immigration, 40 per cent migration, and only 20 per cent births.
>
> Planners now think it is close to 80 per cent and could go even higher unless some very tight controls are clamped on the movement of immigrants both outside and inside this country.
>
> The immigration problem for B.C. is two-fold. Not only has this province become the second most popular landing place in the country, it also seems to have become the most popular second option for immigrants who originally planned to settle permanently in Ontario or Quebec. On top of this, more and more Canadians are moving here from other provinces.
>
> The apparent decision by Ottawa to stabilize the annual national immigrant total at 200,000 dismays government officials at all levels in B.C., because, in their opinion, it simply perpetuates a situation that is already intolerable.

● (2010)

Those are some words in regard to population growth in my province, which is beyond the control of the government and the people of British Columbia because that lies in jurisdictions that are elsewhere; yet there is one area where something could be done about it, and that is in the area of representation in this chamber.

We hear a great deal about western separatism, and one of the reasons is that there is that feeling there is because their voices are not heard sufficiently in this chamber. That feeling arises partially because the people know they do not have as many voices in this chamber as they would have a right to if redistribution in this country was carried out on an equitable basis. This is the cause of great concern for the people of my province.

The member for Winnipeg North Centre (Mr. Knowles) is delighted that the bill has no reference to the Senate or to senators. I suggests there should be such reference, because again one of the scandals of representation in this country is that the province of British Columbia has only six senators, the same number it had when it entered confederation. No increase in number has been made. While the number of senators serves for some provinces as a floor below which the number cannot go in terms of representation in this parliament, the Senate certainly has a very useful purpose.

I have the suspicion that certain provinces may regret it if this bill eliminates a reference to the Senate. I would suggest that the hon. member for Winnipeg North Centre should use some of his great talent, erudition, experience and wisdom to suggests ways and means of altering that organization rather than to so cheerfully eliminate it, because in respect of the representation of the west we certainly do not want to lose six senators, and we would willingly have a considerable number more.

Mr. Knowles (Winnipeg North Centre): We would be better off if we lost the whole works.

Mr. Johnston: I cannot agree with the hon. member in that comment as I still feel the Senate can serve some useful purpose. I feel we should discuss that purpose so we can continue to count them among representatives, particularly when we in British Columbia and the western provinces are shamefully shortchanged in representation.

There are simple remedies for some of the problems that exist in the other place, and one of the quickest and simplest would be to allow the provinces to name at least half their senators. I think this would have a marvellous effect and impact on that other place.

One thing we should remember when talking about population growth is that there is always a lag in redistribution, and we can see it developing again. The census is held in years that end with the figure one, that is 1961, 1971 and so on, but redistribution is seldom accomplished until the middle of what is the decennial census. So a province that is growing rapidly goes through one or two elections before the change finally comes; then there is another census and another lag.

On the other hand, the lag, of course, benefits the province that is losing population or that is growing slowly. For the province that is growing fastest of all the loss is important. Again this is something that needs to be considered when looking at the figures for the province of British Columbia, and they are not particularly generous.

There are a great many areas in which this bill can be opposed, and the party I represent is opposing the bill, not simply for the sake of British Columbia, but for a whole variety of other factors, some of which have already been mentioned. One is the extremely rapid growth in the membership of this institution as laid out in the bill, which may rise to over 300 very swiftly. Certainly I expect that many of us will still be around, if the proposal goes ahead, to see the day when the parliament of Canada will number over 300 members, and perhaps more than that.

I should like to concentrate in my remarks on areas that affect the province I represent. One must consider the

geographical factors in a province like British Columbia, which is the most mountainous of them all and which has vast areas that are scarcely mapped as yet. Because of the difficulty of communications links between other parts and the mountain valleys in which the residents live, they have built up their own distinctive character. If you link too many of them into a single constituency you end up with a constituency which is very difficult to serve, no matter who represents it.

I have the feeling that there is opposition to this bill from both sides of the House and from all parties that have representatives here from the province of British Columbia. I would find it strange if the hon. member for Skeena (Mrs. Campagnolo), the hon. member for Kamloops-Cariboo (Mr. Marchand), the hon. member for Comox-Alberni (Mr. Anderson), or the hon. member for Coast Chilcotin (Mr. Pearsall), could find much to support in this bill. I realize that not all those members are in the House this evening, but I am sure they must be concerned about this bill as they all have very large constituencies with all the problems I have mentioned in terms of transportation and communication.

The city of Kamloops is one of those areas that is growing extremely rapidly, and by the time we get around to the next election, if not around to the time redistribution is ready, it will in itself deserve one member without that vast hinterland that now surrounds it. The constituency of Skeena, which is larger than many of the provinces of this land, is another one whose growth will probably take off in spectacular fashion, and the representative from there will know what I talk about when I speak of the lag which comes from redistribution.

If one looks strictly at the mathematical table presented to us, one might be inclined to have some sympathy with the large provinces of Ontario and Quebec, and one might credit them with some restraint in the formula which sets their average constituency population figure higher if one did not know that the province which has the largest figure of all is British Columbia, especially when it moves into what is known as the large province category according to the table in the bill before us.

I think we should move with extreme caution in this regard as we must remember that the significant column of figures in the table is the one which shows redistribution under present rules. It shows that under the present rules the number of members from British Columbia would increase from 23 to 26. When the committee on privileges and elections was studying this during the last parliament, I was not a member of parliament—almost, but not quite. I regret that even more keenly now because I would certainly have liked to be here when the initial discussions on the amalgam formula were taking place.

● (2020)

If we look at the redistribution under the proposed recommendation we find the number for B.C. is 27. If we go back to the committee we see that the figure was 26. Somehow one seat seems to have been added in the interim. I suspect it has been added to forestall the criticisms of some of the members from British Columbia on that side of the House who have taken the time to see just what is in store for them.

I am sure when this bill is presented and argued in the province which I represent the people of that province will be told that they are being given four new members. But we should remember that the present rules were to give them three new members. The amalgam formula as now interpreted adds only one. It should not be forgotten that the three new members would have been from a house of 264, whereas the one extra is from a house of 280. So we have gone backwards instead of forwards. One can read over and over again statistics about our population increase and realize that we are gaining faster than any province in this country; but when it comes to representation in this House we are losing out, and we lose out under the amalgam theory as well because we are counted as an intermediate province in this redistribution, proposed to follow the 1971 census. The 29 members we could have expected as a small province have been cut in half by the formula. As I have said, one seems to have been added along the way out of a total house of 280. I do not object to the rider—it is not in the bill—which I realize will give an additional seat to the Northwest Territories.

I listened, as I am sure did other hon. members, to the eloquent address by the hon. member for Northwest Territories (Mr. Firth). He described that vast constituency of his. Having a vast constituency of my own, I know how many times more vast his problems are in relation to mine. However, the additional seat adds to the total whether or not it is contained in the bill. I realize the bill really does not deal with the territories; they will be dealt with separately. By 1981, which date will be upon us soon, according to the formula laid down here we are supposed to become a large province. Let us have no sense of false pride in British Columbia, great and beautiful as it is.

There is nothing to be gained by playing games with the big people here, because the advantage in seats comes from adopting a low posture. We have many problems in terms of local geography and distance from this place. All members from British Columbia know what it means to spend days on a plane and at airports. They know what it means to have to wait to take off, not knowing whether or not a flight will arrive on schedule. Then there is the jet lag. I am sure the performance of our members of parliament is as brilliant as that of any group, and yet coming and going we are faced with the problem of jet lag. There are problems of representation which are distinct to a province on the Pacific coast, and I suppose also the province of Newfoundland, although it does not have the same rapidly increasing population.

By 1981 we are expected to be a large province, even though the percentage figure of the province would not give British Columbia one third of the population of the province of Ontario. I would hope at the committee stage in respect of this bill there will be an amendment whereby the population figure that is used in respect of a change from a medium to a large province would be at least four and one-half million, so that this change would not come until the intermediate province became at least half the size of the largest province, be it Ontario or Quebec, at the time when the changeover is made.

The other provinces grow, but we grow more quickly. I think that is an important factor to remember. When we look at the figures published in respect of the 1981 redistribution we note that, if it were worked out on the basis of a small province, we would qualify for 38 seats. If we were to be an intermediate province, we would qualify for 34 seats. Then if we look at the table that is set out before us we find that we are offered 32 seats. If we look back at the original discussion we find that we were offered 30 seats. There has been a slight increase in respect of the proposals placed before us this evening; however, the figure is two instead of four or eight. Considering all the problems of representation I do not feel that is an adequate number.

It should be remembered that the large provinces are on either side of this national capital of ours. They have the great advantage of being right here in the middle. The problems we face as members from the far corners of this country are very different from the problems faced by members in the two large provinces surrounding the area which comprises the national capital.

So for all these reasons I feel we must oppose the bill. If we do the arithmetic for 1981 under the new rule, we find that Quebec rises to plus 11, Ontario to plus 16, and British Columbia to plus 4. It would seem to me that the bill has been designed with the thought in mind that somehow it would be dangerous if the most rapidly growing province ever in any way caught up with representation in this House. Therefore I personally oppose the bill for this reason. I suspect it will be the reason some speakers from the rapidly growing province of Alberta will oppose the bill. There are a great many reasons, including the suggestion that parliament should not grow to an unwieldy figure in a very short of time, which provide this party with sufficient evidence to oppose the bill presented to us this evening.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, early in 1973 the electoral boundaries commissions for the various provinces reported to the House with their recommendations for the new distribution in accordance with the legislation which existed at that time. As a result of the 1971 census it was now time to redistribute the seats in the House of Commons. However the electoral boundaries commissions did less than a satisfactory job in the way they divided up the various provinces.

● (2030)

Certainly in the province of Alberta, with which I am most familiar, the redistribution job can only be termed lousy. For example, they have constituencies such as Lethbridge, which is mostly rural, with a population of 97,000 and constituencies such as Calgary North, totally urban, with a population of 77,000. Clearly it does not make sense from the point of view of fair play or in terms of making it easier for members to communicate with their constituents, or vice versa. In fact it only makes sense if you realize that the city constituencies are more likely to swing with national trends, and if you are a party in power not represented too well in a particular province it is in your interest to have more urban than rural seats.

There were things wrong with the redistribution reports of the electoral boundaries commissions for other provinces as well. The fact that these reports were made gave members an opportunity to raise long standing grievances about the method of allocating seats between provinces. In

particular, Saskatchewan, Manitoba and Newfoundland were all to lose a seat. This is not the first time that Saskatchewan and Manitoba have lost seats. However, this loss represented a very substantial loss in terms of the numbers they had; it was one out of 13. Clearly these provinces were represented much more poorly, not in terms of the quality of their members because that is not the case—in fact, it is just the opposite—but in comparison with the Senate floor protected provinces of Prince Edward Island and New Brunswick. The electoral boundaries commission for Nova Scotia in particular did away with the constituency of the then president of the privy council, so he was very receptive to the suggestion made by members on this side as well as his own members that the redistribution formula be set aside.

Mr. Benjamin: This is a non-partisan debate.

Mr. Andre: Yes, certainly. He was receptive to the proposal that the Standing Committee on Privileges and Elections be asked to review the whole question of redistribution.

On July 5, 1973 Bill C-208 was brought in to set aside the Electoral Boundaries Readjustment Act, and the matter was referred to committee. The bill passed committee on July 12 and was given third reading in the House on July 13. I mention those dates because in just two short weeks the whole matter of setting aside redistribution was handled by the House. Seven months later the matter of seeking a new redistribution method was brought to the committee, that is, on February 29, 1974. At that time the then president of the privy council presented some alternatives to the committee, and this took up the total time of the committee on that day. Two months later, on April 9, the committee had a meeting to discuss this redistribution method recommended by the president of the privy council, and that was the only discussion that that method was given. Essentially there has been no opportunity for members of the House to indicate their reaction to the government's recommendation, no opportunity for public debate, no opportunity for the media and for observers of parliamentary processes to react to that method or discuss it.

For that reason it seems to me highly inappropriate for the government at this time to bring in a bill calling for the implementation of a method which has had no analysis or discussion and to ask for the approval of the House. It would be irresponsible for us to grant the government's request. It is especially galling, and I wonder about the priorities of the government.

A week or two ago I received a letter concerning the Abbott Commission, a commission established to look at the question of facilities and space for parliament. It is a commission with representation from both sides of the House, the Senate and outside people. It has staff and an office, it will travel to hear witnesses, and in fact will undertake an extensive study of facilities for parliament. Surely the question of redistribution, of how many members we will have in the House and what the regional representation will be, as well as how well protected will be the small provinces, is at least as important as how many offices and committee rooms we will have.

Some hon. Members: Hear, hear!

[Mr. Andre.]

Mr. Andre: Surely the responsible thing to do, since we are now no longer in a minority position and have probably four years until the next election, and therefore ample time, to give the consideration, study and analysis which this matter deserves. It is far too important to be dealt with in what can only be described as a haphazard and offhand way. It would be irresponsible to zip this redistribution method through the House to the committee where the government can use its majority to jam it down our throats. I have been on enough committees to recognize that is a very real possibility.

The President of the Privy Council (Mr. Sharp) indicated in his speech that that is not the case. Well, his predecessor in that office told us that the Standing Committee on Privileges and Elections would have ample opportunity to discuss this question, but how much opportunity did we have? We had one meeting—two if you count the one at which the government presented its point of view. We had only one and a half or two hours. I do not consider that ample time for discussion.

It has been suggested by the President of the Privy Council and by the hon. member for Winnipeg North Centre (Mr. Knowles) that this bill may be as good as we can get. That is not true. Anyone with a modicum of imagination can come up with half a dozen alternatives that are superior.

Some hon. Members: Let us hear them.

Mr. Andre: In order to get these alternatives into a form in which they can be discussed, we will have to be provided with an opportunity, and it has not been provided.

An hon. Member: We had a parliamentary committee on the matter in the last parliament.

Mr. Andre: Do you know how often it met? It met for two meetings on this subject.

There is much that is wrong with the amalgam method, and I will get to it in some detail. First, I would like to quote from an editorial in the Calgary *Herald* of Saturday, November 30, which states in part:

> The bigger House of Commons plan for Canada will not accommodate Alberta's growing sense of urgency about the need to get fair treatment in Parliament . . .
>
> Albertans can be forgiven for not cheering. The bill will not do anything to alleviate a strong feeling that the structure of the House of Commons works against regional aspirations and interests. And, in fact, the bill will have the effect of reducing prospects of redressing the grievances of the West.
>
> Statistics tell the story. Of the 15 new seats planned for the Commons, Alberta stands to gain one; Ontario stands to gain seven. This is fair from a population distribution point of view, but won't reduce fears that the population strongholds of the country will continue using their numerical strength to raid Western resources. Without redistribution, Ontario alone has 88 MPs to represent the users of oil and gas, while Alberta has 19 MPs to represent this province's position as a major energy producer.

● (2040)

> By 1983, after a second stage expansion, the four western provinces stand to gain 16 additional seats, while Ontario and Quebec stand to gain 27 additional seats. Boosting the size of the commons beyond the 300 mark will do nothing to improve the decision-making process, and wont't help solve the lack of protection for minority interests.

It is difficult to question the principle of representation by population, yet rep. by pop. fails to support another cornerstone of confederation—the protection of regional interests and the allocation of resources to provinces. Certainly the cause of confederation is not served by a federal government which, under the guise of national interest, rides roughshod over the rights of provinces. This serves to foster the development of dual loyalties, and in some cases, sells the cause of the separatists.

The editorial continues in that tone, Mr. Speaker. I do not want to read it all but the penultimate paragraph is worth noting. It reads:

Canada has gone through great turmoil in recent years debating the concept of making confederation flexible enough to accommodate two nations. With this issue, still unresolved to anybody's satisfaction, Canada is moving rapidly to the day when the federal system may have to become flexible enough to accommodate ten "nations".

Someone in the New Democratic Party made a remark about the newspaper being the dinosaur, or something along those lines. To indicate that this feeling is shared by other Westerners and is a non-partisan issue, I should like to quote from a publication issued by the Edmonton *Journal* entitled "What Does the West Want?" which contains an article by Izzy Asper, the former Liberal leader in Manitoba. He begins by saying:

Manitoba and the other western provinces have lived under a system of economic colonialism to eastern Canada for over 100 years and this cannot be allowed to continue.

Mr. Asper goes on to describe some of the economic disparities and then continues:

While the reorientation of federal policies is much needed in the shorter run, the complete renegotiation of confederation is the ultimate long term solution to the problem of the economic costs that the present federal system imposes on western Canadians.

Western Canadians want a truly federal union where regions are properly identified and guaranteed a certain basic sovereignty and political and economic equality, both in relation to each other and in their representations within the central government, and where distinct cultures are treated with the dignity and given the equality and rights which they deserve.

A truly federal parliament must have a radically reformed Senate—a Senate assigned significant areas of responsibility. It should have authority over matters of national importance and should provide a just and democratic representation for the underpopulated regions of Canada. Thus, a reformed elected Senate must give each province the same number of seats. This is the only method to alleviate the problems of regional disparity that currently exist.

Later in the same article Mr. Asper writes:

Western Canada's weakness within the country results directly from the fact that Canada's parliamentary system is not truly a federal institution. Reform of the parliamentary structure designed to provide less populated areas with just representation in a reformed confederation must be considered as a major priority for all western provinces wishing to become partners within a strong federal union.

That is the view of the Liberal who is more than a casual observer; in fact, he is leader of a provincial party. I think his advice makes good sense.

Not only does the amalgam method of redistribution presented in this bill not address itself to that problem, but the committee of the House of Commons which was supposed to discuss this issue did not have an opportunity to raise points like this. It is improper to ask this House to approve in principle a method which essentially has not been discussed by a committee of the House, has not been publicly debated, has not been thoroughly analysed, and which does not address itself to any of the fundamental problems.

The first thing wrong with the amalgam method is that it calls for an unlimited increase in the number of members in the House of Commons. This is folly, to say the least. It will cost the Canadian public a lot more money to maintain this institution and, more important, will reduce the effectiveness of members of parliament. An individual member of parliament would have less influence in a 300 member House or a 350 or 400 member House than in a 264 member House or even a 200 member House. If we are going to change the size of the membership of the House, we should probably decrease it.

On several occasions the President of the Privy Council (Mr. Sharp) has indicated a desire to examine methods of making the House more efficient and we agree that we must find better ways to handle the country's business. We feel it equally, if not more, important, however, to find ways of making the House more effective. This redistribution method is not going to achieve either of these objectives; what it will do is increase the authority of the executive branch of government.

Some hon. Members: Hear, hear!

Mr. Andre: What it will do is increase the authority of the already overgrown Prime Minister's office and the already overgrown Privy Council office.

In his remarks the President of the Privy Council indicated that the government wanted to increase the number of members so that each member would have fewer constituents, making for easier communication. I think the duties of a member of parliament fall into two classes, Mr. Speaker; he is a legislator performing his duties in the House of Commons, and he is an ombudsman or, as one of my colleagues said, a second rate social worker. A member's responsibility toward his constituents is very important, but rather than increase the number of members it would be better to improve the staff and facilities available to present members. It is inconsistent with our responsibility as legislators to suggest that we would be better if there were more of us. In fact, we would be less effective. The constituency office system introduced last year was a step in the right direction, and as populations grow we should expand that type of service.

There is another problem with this amalgam method which was referred to in the article by Izzy Asper from which I quoted.

● (2050)

The bill does not address itself to preserving the federal system of government in Canada. Recently newspaper articles and television and radio programs have all made clear that, increasingly, the federal-provincial conference has become the forum in which we want to discuss important national problems. We do not discuss them so much in the House of Commons, partly because of the diminished authority of the various regions of Canada. It has become increasingly clear to the people of Alberta, British Columbia, Saskatchewan and other provinces that it is better to let provincial representatives deal with their problems than refer them to members of parliament.

I do not think that it is desirable to foster the idea in Canada that people in regions remote from the capital may obtain redress of grievance only through their provincial

representatives. I believe in a strong federal state. Unless we make parliament a truly federal parliament and reform the Senate it is increasingly likely that Canada will be balkanized and become a country composed of semi-independent states. I do not look forward to that condition but I should be irresponsible in not considering that possibility, especially as we are considering redistribution.

Third, I shall vote against this bill because I contend its provisions amount to gerrymandering. Under the amalgam method proposed to the committee by the President of the Privy Council (Mr. Sharp), the average number of voters in constituencies in provinces whose population is under 1,500,000 is to be smaller than the average number in the constituencies of the other provinces of Canada. I do not disagree with that concept. The President of the Privy Council also suggested that the average size of constituency populations in Ontario and Quebec is to be greater than the average size of constituency populations in the rest of Canada. I think that is a reasonable philosophy. He said also that there is to be a third category of province which will include Alberta and British Columbia initially, and later Alberta, and the constituency populations in those provinces are to be of an intermediate size. What he suggested sounded good; it sounded like a suggestion which we could buy.

Then he produced his formula, or the arithmetic behind his philosophy. By coincidence, I am sure, Alberta and British Columbia, the two intermediate provinces, ended up with having the largest average constituency populations in the country. I am sure this happened by coincidence when one remembers that these two provinces in the period 1972-74 had only four Liberal members representing them in this House. When one considers the much greater number of Progressive Conservative and NDP members those provinces sent to Ottawa, it becomes most difficult, even for the most generous-minded, to escape the conclusion that the minister's proposal involves gerrymandering.

In the next following election, British Columbia returned more Liberals to Ottawa. Those members examined this redistribution proposal and said things in the province had changed. The government said, "We will need to take that into consideration." It then considered the formula under which British Columbia was to be an intermediate province, and it said to the members from British Columbia, "You may now have the privilege of representing what we consider a large province." Incredibly—and this was only possible because the Liberal members from British Columbia had been newly elected—those members accepted the government's proposal. They are getting hosed, but they accept what the government is doing.

If the government is insisting, as it says it is, on approaching this question in a non-partisan way and saying that the smaller provinces shall have smaller than average sized constituencies and the larger provinces larger than average sized constituencies, and that certain provinces shall be considered as intermediate sized provinces, then, for goodness sake, why did it not bring forward a proposal which will do just that, instead of trying to "con" us into accepting a proposal which is nothing short of gerrymandering?

Mr. Woolliams: And political manoeuvring.

Mr. Andre: For example, Alberta has 20 per cent of the population of Ontario and British Columbia has, perhaps, 25 per cent. If the government had said that constituency sizes in the intermediate provinces shall be as large as the average size of constituencies in both, large and small provinces taken together, the result would be this. Alberta would be represented by 22 seats, and British Columbia by 29. So even while claiming to be non-partisan, even while saying it will take into account regional interests in Canada, the government cannot resist putting the boots to Alberta and British Columbia. I do not think that the President of the Privy Council can ask this House to approve that kind of proposal. Certainly for those reasons I cannot vote for this bill.

Mr. Benjamin: What is your reason, then?

Mr. Andre: I could explain it to the hon. member in one syllable words three times, and he still would not understand.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, will the hon. member permit a question. Did I understand him to say that his calculation results in Alberta's having a constituency population larger than that of Quebec and Ontario?

Mr. Andre: That is right.

Mr. Knowles (Winnipeg North Centre): Is the hon. member not aware that the bill specifically says that this shall not happen, and that the calculations work out to about 80,000 per constituency for Alberta and 83,000 for Quebec?

Mr. Andre: Mr. Speaker, I will not argue procedure with the hon. member for Winnipeg North Centre (Mr. Knowles), or theology, but I will argue points of arithmetic. On the basis of the redistribution method that was proposed to the committee, I indicated—

Some hon. Members: Oh, oh!

Mr. Andre: Just a moment—

An hon. Member: Stick to the facts. You are suggesting something new.

Mr. Andre: No, Mr. Speaker. The amendment I am speaking about says this: If an intermediate province is hosed, it is given the privilege of being considered as a large province. That is what the minister's suggestion entails. On that basis the average constituency population in Alberta is to be 81,400; in Ontario it is to be 81,000 and in Quebec 80,400. So Alberta constituencies are to be larger than those in Quebec.

● (2100)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, looking at the table and looking at the bill, it states that no province, not one of the other nine, shall have a constituency average greater than that of Quebec. In making any calculation you have to take that into account. Looking at the table given today by the government House leader, I

find that Alberta has a population of 1,628,000. It has 20 seats, which works out at about 80,000 per constituency. Quebec, with a population of 6,028,000 has 75 seats. That works out to about 83,000 per constituency. The hon. member had better go back to school.

Mr. Andre: Mr. Speaker, the 1971 census shows Alberta with a population of 1,627,900. You divide that by 20. That is not too difficult; just drop the zero and divide by two. You get 81,400 which is 1,000 more per constituency than the province of Quebec.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): The hon. member's arithmetic is wrong, Mr. Speaker, completely wrong.

Mr. Andre: Mr. Speaker, I will be glad to give the hon. member for Winnipeg North Centre (Mr. Knowles) a tutorial on arithmetic later. At the moment he is inaccurate.

Some hon. Members: Oh, oh!

Mr. Andre: He is also inaccurate about the amendment. All the amendment says is that if the formula which is used for the intermediate or small provinces happens to give an average constituency population larger than Quebec, it may be treated like a large province. On that basis, British Columbia gets an extra seat, Alberta does not. We still end up with the largest constituency population in the country, as does British Columbia.

Mr. Knowles (Winnipeg North Centre): Not so.

Mr. Andre: Mr. Speaker, I would be glad to table some arithmetic if it would help the hon. member for Winnipeg North Centre understand. The fact of the matter is that all of this arithmetic which has been cited is galling to anyone with a sense of fair play or with half a brain. We were told the government was coming out with a method that would give us some favoured treatment because we only had 20 per cent of the population of the large central provinces. We were told that this method of redistribution would give us a little better treatment. However, if you look at the formula that has been proposed, that is not the case at all.

Some hon. Members: Hear, hear!

Mr. Andre: The Liberals have been less than honest and less than forthright in their presentation of this bill. They provided no opportunity for members of this House to discuss this bill. They provided no opportunity for public discussion of the redistribution method. In fact, they are simply using the very legitimate arguments and concerns of members from Saskatchewan, Manitoba and Newfoundland to improve the position of the Liberal party within the country.

Mr. Goyer: Saskatchewan? Thanks.

Mr. Sharp: Thank you very much.

Mr. Andre: If this is damaging to the country and damaging to federalism, they apparently do not care.

Some hon. Members: Oh, oh!

Mr. Woolliams: You have them all worked up.

Mr. Andre: If you have a comment, make it loud enough so I can hear it or keep it down. There are a number of reasons why this bill should be opposed. First, contrary to government promises, there has been insufficient examination of the method. Second, it calls for unlimited growth of the House of Commons, which I am sure the people of Canada do not want. It will be detrimental to the efficency and effectiveness of this House. It will serve only to increase the authority of the executive branch of the government and to diminish the authority of the legislative branch.

This amalgam method is a movement away from the protection of the small provinces. Under the existing method, the small provinces have 22 per cent of the seats and would retain roughly that proportion. If the proposed method is accepted, the proportion of seats would drop to 18 per cent within the next 25 years. Therefore, this method in fact moves away from protecting the small provinces. It is not consistent with protecting a strong federal union.

Fourth, it is gerrymandering. The government has developed a method which ends up with Alberta and British Columbia having the largest constituency population. It is part of the never ending stream of moves which goes a long way toward explaining western alienation and a whole lot of problems associated with it. This method does not address itself to the fundamental problems of a federal system within Canada.

Mr. Benjamin: What would you do?

Mr. Andre: If you will give us an opportunity, we will tell you. We have a multitude of proposals. We have been discussing the bill in principle and this bill must be opposed by anybody who has any principles.

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, discussions regarding redistribution always start out with ideological and philosophical statements.

Mr. Reid: Mr. Speaker, I rise on a point of order. Is the hon. member rising on a question or is he rising to make a speech?

Mr. Wenman: To make a speech.

Mr. Reid: Mr. Speaker, it was my understanding he was rising on a question. There has not been a speaker from this side since the President of the Privy Council (Mr. Sharp) made his presentation earlier today. I think there should be representation from this side as well.

The Acting Speaker (Mr. Penner): May I say to the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) that the Chair looked to his right. No member stood in his place. The hon. member for Fraser Valley West (Mr. Wenman) stood and was recognized. The hon. member for Fraser Valley West has the floor for the purpose of making a speech.

Mr. Wenman: Mr. Speaker, thank you for that very correct and fair ruling. As I was saying, discussions usually start on a rather ideological and philosophical base.

When talking about redistribution, people talk about the interest of Canada. They talk about objectivity and fair play. It usually does not take too long to get down the power block plays and individual self-interest. It seems we did not even get started to discuss the philosophy, and matters of high intent. Instead, a bill was presented on the basis of pragmatic parochialism and self-interest. Speaking on the bill in the current Canadian parliament is, indeed, frustrating, knowing that as I stand to speak on the things that are wrong with this bill, these same factors, assure the passage of the measure and continued disproportionate representation to Western Canada, and in particular to British Columbia.

● (2110)

As the member for Fraser Valley West, I can stand in my place in the House of Commons and speak about inequitable freight rates, the flooding of the Fraser River, or the attack by the federal government on provincial resource rights. But once again, of what significance will it be when you are speaking about these critical problems to a government that recognizes that it can get elected—and the last election validates this—without the western vote? We bemoan the fact that a government can be produced almost solely from central Canada. We are concerned that this is a serious blow to national unity, and yet by simply recognizing this fact we are, in effect recognizing the regional character of Canada, and, more important we are making an indirect argument for equitable regional representation.

Western Canadians would accept economic equalization much more readily if Eastern Canadians would accept equalization of representation for Western Canadians. Most of those who have spoken in the debate to this point have recognized that the West has not had its fair share of representation of terms of numbers in the House of Commons, both now and under the current proposals. One simply has to take note that it takes 3.7 B.C. votes to equal one Prince Edward Island vote in terms of straight proportional representation. But this is only one side of the question. Certainly nobody wants to deny Prince Edward Island or any other small province their share of representation simply because they are not growing. The idea of redistribution is not to reward growth but to do all we can to ensure equitable treatment for the various parts of this vast and diversified country.

Some hon. Members: Hear, hear!

Mr. Wenman: In other words, what we want to do is to consider the overall good of the country, rather than solely preoccupying ourselves with mathematical equality. Equalization of representation relative to regionalization is as valid a concept as representation by population. If we were to divide Canada into its natural five or six regions this would provide each region of Canada with between 46 and 53 members per region. While I realize the pragmatic improbability of British Columbia and the Yukon region receiving approximately 46 to 53 seats, and a need to compromise representation by population, the compromise between regional representation and representation by population, as it appears in this bill, is totally against the interest of British Columbia.

[Mr. Wenman.]

Western Canada has quietly accepted economic equalization, Well, perhaps not so quietly of late.

Mr. Benjamin: What do you mean by economic equalization?

Mr. Wenman: I mean the situation whereby Western Canada supports the confederation of Canada economically, particularly British Columbia and Alberta, as "have" provinces. We do not object to this too strongly. However, in the light of legislation before the House, as well as historic Western discrimination and over-compromise on the part of Western Canada, it is time for Eastern Canada to recognize Western Canadian and, particularly, British Columbia demands for equalization of representation as well as economic equalization.

From my point of view, a similar sized, or even smaller sized, House of Commons with more effective individual M.P.'s would be the best concept to ensure efficient and effective democratic processes. Before we start legislating grand schemes to increase the size of the House—and is there really a limit once that starts—perhaps we should concentrate on making what we have here, and what we do here, more effective.

It is typical Liberal aphorism that quality comes with quantity; that to deal with a problem you first think in terms of quantity. Do we really want or need more representation? Does more representation mean better representation? Personally, I doubt it. The opportunities to speak and participate as an M.P. are already considerably limited through the appropriation of the limited time available for the day.

We often lament the fact the legislature is on the decline in the twentieth century while the executive is becoming increasingly more dominant. We see this most clearly in terms of power and responsibility when comparing political executives and senior civil servants with M.P.'s who are not in the cabinet.

But this disparity is manifested in another way also, perhaps an even more important way, since it penetrates to the very root of what democratic government is all about. This is the area of information and expertise. An unfortunate development in the legislature's decline has been the increasing disparity in expertise and knowledge between those who are part of the executive and those who are not. This is critically important because it tends to undermine the day to day accountability of ministers to the members of parliament, a development that threatens to render ineffective not only the opposition but parliament as well. Such steady attenuation of accountability cannot be tolerated in a democracy, and the bill before us continues to atone the consolidated power of the executive to grow.

As any non-executive member of the Canadian parliament knows, information and expertise is the single most important thing a member needs to be effective. Accountability in government is all but impossible without it. But, at the same time, as most members are only too aware, the technical facilities and resources available to the ordinary M.P. are dismally inadequate. They are so inadequate that one sometimes wonders how a member is able to deal with a question or policy in any but the most superficial way.

The bill before us is an example. For example, there is argument between members about arithmetic. There is argument about the meaning of the clauses. These differences arise partly because opposition members on the back benches do not have access to adequate resources of expertise and information.

● (2120)

Very definitely one of the things we need is to keep the House as small as possible, or in fact smaller than it is. I would have the political courage to stand up and suggest that we divide the riding in my area, making the riding smaller, and I will fight for one of those seats. At least let us consider the suggestion.

I will vote against this bill as I do not believe it is in the interest of Canada to expand the size of the House of Commons. It is my opinion also that this bill has been conceived in faulty and weak philosophical premise, not in the interests of Canada. It is also an attempt at regionalism that British Columbia is named as a middle-sized province, and is little more than an effort to thwart the obvious rights of British Columbia in respect of equitable representation.

Representation by population concepts once again are discriminatory against British Columbia, in particular, relative to the smaller provinces. It is not in the interests of Canada to expand the size of this House, and I have grave concerns and reservations that we have started in the wrong way. We should be forgetting municipal and provincial boundaries and looking instead toward the regions of Canada. If we were to assure equitable regional representation in a smaller House, the House of Commons of Canada would be more efficient and effective in accomplishing the democratic processes necessary to carrying this country forward.

Mr. John M. Reid (Parliamentary Secretary to President of Privy Council): Mr. Speaker, there has been comment to the effect that there has not been much time to debate this particular subject. Let me remind hon. members that when the subject of redistribution became a factor in the public eye it was debated quite hotly as to whether the mechanisms then existing were appropriate to the provision of the kind of representation in Canada we wanted. This reached culmination when the government brought in, with by-partisan support, the bill to disband the operations of the Electoral Boundaries Redistribution Act. This was done because members from all sides of the House felt the existing system was not competent.

When that bill went through the House there was discussion about the kind of redistribution system people would like to see. There was discussion in the committee about that and then the government came back with five proposals which were laid before the House, briefly debated and referred to the Standing Committee on Privileges and Elections.

In that committee a proposal was put forward by the hon. member for Dauphin (Mr. Ritchie), known as the Ritchie proposal. This amounted to an increase of three seats for Ontario and three for B.C. This was in addition to the five proposals which the government put forward.

The committee very quickly came to the realization that the two proposals which had the most merit from its point of view was the Ritchie proposal and the amalgam method. The committee did not complete its work, although I believe it was on the verge of making a decision between these two proposals when the election intervened. After the election there were consultations between the leaders of the parties and it was decided that, because the committee had almost come to a decision between these two, it was not necessary to refer the matter back to the Standing Committee on Privileges and Elections, that instead the government should bring down the bill based on the amalgam method.

An hon. Member: It is not true.

Mr. Reid: I want to repeat that this was negotiated with the various parties, that it was clearly understood that this is what should happen, and that it was being done on the basis of the very widespread public debate which had preceded that decision. It may well be that many members feel they have not had much of an opportunity to participate in the debate before. I can only say that there has been plenty of opportunity, and that is the only comment one can make about it.

An hon. Member: When and where?

Mr. Reid: I have discussed already, in answer to the hon. member for Calgary Centre (Mr. Andre), the procedures we went through, the opportunity there was for public participation, and the opportunities there were for people to present other alternatives to the committee. In point of fact, when we were at the committee stage there was only one proposal put forward, other than what the government proposed, and that was the Ritchie proposal.

An hon. Member: We only had two meetings.

Mr. Reid: The Ritchie proposal had sufficient merit that members of the committee were prepared to consider it and the amalgam method. Had other members come forward with other suggestions and other mechanisms, I am sure there would have been a longer debate in the committee. But they did not.

An hon. Member: Nonsense.

Mr. Reid: The hon. member says "nonsense". I am describing what happened. Whether hon. members agree with what happened is not for me to say. What I am describing is the process that took place, the decision that was taken as a result of the debate that went on in the House between the parties, all of which led to the decision to proceed with this bill. As I say, all the parties were fully informed. Whether your caucus was informed is something I cannot say. I can say that we had a full discussion about it, and I am sure the same thing happened in other parties.

Reference was made by the hon. member for Calgary Centre (Mr. Andre) to the Abbott Commission. It was established because of the report brought down in this House in 1970, I believe, called the Beaupre Report. The Beaupre Report was to the effect that the duties of members of parliament were expanding and therefore some-

thing had to be done about facilities. The government took over the Confederation Building to provide additional space and staff, but it then became apparent that when the government began to expropriate the rest of Wellington Street this would not be satisfactory and it would be advisable to bring the public as well as the House of Commons into the procedure.

That is what the Abbott Commission was all about. It was designed to try to provide additional ways in which members of parliament could be more effective, and it looked into the staffing and facilities available to members. The Abbott Commission had nothing to do with this bill.

Mr. Andre: But the subject of the Abbott Commission reference was at least as important as the subject of this bill.

Mr. Reid: The subject matter of this bill is a method of redistributing parliamentary seats as between provinces and regions in Canada. Let me say at the outset that there is no one satisfactory method of satisfying everybody. This is a blunt fact of Canadian geography, and it is a blunt fact of distribution of parliamentary seats.

Mr. Woolliams: Would you permit a question?

Mr. Reid: Certainly.

Mr. Woolliams: The hon. member says that the Abbott Commission had nothing to do with the increase in the size of this House. Does that mean that when the Abbott Commission came up with the suggestion that we need more staff and more office space—

Mr. Deputy Speaker: Is the hon. member asking a question?

Mr. Reid: Yes.

An hon. Member: It just takes him a little longer than others.

Mr. Woolliams: I think it is a very important question, and it is a question, with great respect. If the Abbott Commission came up with a recommendation for more staff and facilities for members, would that not cost the taxpayers a lot more money, particularly when you consider an increase in the size of the House?

Mr. Reid: Of course, the answer to that is that if we increase the staff for members of parliament, that is going to increase the cost to the taxpayers as well. The point of the amalgam method is that nobody pretends, least of all the government, that it will satisfy all regions, all areas, all provinces and all constituencies. Obviously it is not possible to do that.

We have many problems. We have a number of provinces that have historical floors in respect of representation, and we have a law which prohibits the reduction of that representation. We cannot transfer enough seats from one province to another. Because we have these floors across the country it means that if we continue with the existing method, the disruptions that would take place in representation as between provinces and regions would get completely out of whack. All you have to do is look at the existing system as it dealt with redistribution. It was so bad that members of parliament unanimously passed a bill bringing an end to the operations of the electoral boundaries commission because it was obviously not satisfactory.

The amalgam method attempts to deal with the reality of historical floors. It attempts to deal with the realities of very large provinces, and it tries to deal with the fact that some provinces are not small and not large but somewhere in between and are growing. Because we have the floors and peculiar forces of population growth and geography in Canada, we had to come up with a formula that would treat everyone reasonably equitably, but nobody exactly as fairly as one would hope in terms of population on the basis of representation by population.

We freely admit that this is not a method based on representation by population, but it goes some distance in that direction. It accepts the principle that floors do exist, and it accepts the principle of our history.

Mr. Andre: And the principle that Alberta votes PC.

Mr. Reid: We have to look at the amalgam method as it deals with all of Canada, not how it deals with my province or my riding. Does it provide for the reasonable distribution of seats across Canada? Does it provide for a reasonable distribution of seats based on constituency size? Does it still provide reasonable representation in the House of Commons for all Canadians?

• (2130)

It is on those judgments that one must consider the decision of the parliamentary committee when it looked at the proposals. It had before it the proposal of the hon. member for Dauphin (Mr. Ritchie). Of the six proposals it had, the committee came down on the side of two, that of the hon. member for Dauphin and the amalgam method. It is not clear which way the vote would have gone in the committee, but from the point of view of the government whatever proposal was voted on by the committee would have been accepted. The election intervened, and after negotiations and consultations with members on the other side and their leaders, the government came to the conclusion that the amalgam method was acceptable. There is no attempt by the government to impose upon the House of Commons a system which is repugnant. This is a system which has come to the fore because it is simply the best of the proposals we had before us at the time.

We have not heard since the last election any proposals that were largely different from those the committee had discussed and those the government had worked out for the benefit of the House of Commons. As I say, the only one was that provided by the hon. member for Dauphin. He deserves kudos for having done the work and for having put in the effort to come up with an alternative system.

It is now 9.30 Mr. Speaker. I want to remind hon. members that the House of Commons is very short of time. It has been suggested that it will take a considerable length of time before the petroleum bill goes through, and it will also take considerable time before the income tax

amendments dealing with the resource industries go through the House of Commons. Both these bills continue to have priority and should be passed by December 31. Certainly that applies to the petroleum bill. I would remind hon. members that if we do not pass this bill by December 31 we will be in a position where the old electoral boundaries commissions will be re-established. We will operate on the basis of the previous allocation of seats as between provinces.

It would seem to me it would be impossible for the government and this House to bring down legislation to suspend the operations of those commissions again, simply because we allowed ourselves 18 months to come up with alternative proposals. Surely if there is no agreement on this proposal or on any other proposal it would strike me that the government would have no option but to permit the operation of the existing system. So I want to impress upon the members this problem we have in respect to time.

I commend the bill to hon. members not as the most perfect solution to the problem but as the most satisfactory one we have been able to find. When I say "we," I do not mean the government; I mean the members of this House of Commons taken in total. I want to emphasize that this is not a proposal the government has brought down, as in the case of the petroleum bill. It is a proposal that was widely discussed and debated in the House, and there have been opportunities for members to make their contributions.

An hon. Member: That is not true.

Mr. Reid: If members have not had an opportunity to make their contributions I suggest it is because they have not been paying attention.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I wonder whether the hon. member would permit a question?

Mr. Reid: Yes.

Mr. Munro (Esquimalt-Saanich): Would the hon. member who has just resumed his seat explain, with the urgency attached to this and other matters, why the government delayed so long convening this House after the election? That is blackmail.

Mr. Reid: Mr. Speaker, I cannot answer the general question because I am not a member of the government, but I can say in respect of the bringing down of this bill that the bill was brought down after consultation with the party leaders. The government was given certain assurances as to the time it would take in the House. The government was told there was no pressing urgency in bringing it down and making it the first order of business, but that there ought to be no problems.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, at the outset I wish to say that I do not want the impression to be left in the minds of any members in this House or anyone else interested in this debate that the concern for reasonable representation in parliament of Canadians rests solely on the government side of the House. If that was the impression the parliamentary secretary was trying to leave with the House, then quite frankly I do not like it. It is certainly not in the spirit with which I intended to enter this debate.

Second, I do not like to be lectured by a parliamentary secretary, particularly this parliamentary secretary, with regard to understanding the importance of this piece of legislation. I do understand its importance. It is important not just to his constituents but to the constituents represented by all members of this House. The spirit with which we have entered this debate and continue with this debate is to find a basis, if we can, for proper representation of all Canadians, including Canadians in Kenora-Rainy River and in every part of this country.

I do not accept the suggestion that there was an understanding or agreement that there would not be discussion or debate in respect of this matter. The government House leader is here. Although I could be wrong in that regard, that was not my understanding. My understanding was that this matter would receive reasonable discussion. Perhaps all parties to the discussion in this regard are not here. Perhaps the best advocate the House has heard today with regard to having a full and complete committee discussion of this bill is the parliamentary secretary himself. He perhaps gave the best reason for the debate we ought to have on this bill, bearing in mind the time limit. I understand that if this bill is dealt with within a reasonable period of time there would be time to give it full and adequate consideration in the committee.

I wish to clear up another misapprehension the parliamentary secretary had. I refer to his reference to the Abbott Commission and the reference by the hon. member for Calgary Centre (Mr. Andre) to that commission. The hon. member was not speaking along the lines the parliamentary secretary seemed to think. What he was saying was that the government, with our approval, had seen fit to appoint a commission of learned, experienced people both inside and outside the House headed by a great Canadian to examine at great length the physical facilities of the House of Commons, yet at the same time there seemed to be great haste in respect of the redistribution. The hon. member was saying that the matter was somewhat out of proportion, because surely the matter of redistribution is just as important as the question of further facilities for this House.

I realize there are others in this House who have paid greater attention than I have to the discussion in the early stages concerning the methods proposed by the government House leader. But my understanding is that with respect to the amalgam method there were only two committee meetings during which the matter was dealt with, and that is really of significant importance. I want to say to the government House leader—because this affects member from provinces that differ in terms of their needs and their wants—that we regard this bill as important. It is for that reason that I spoke to the government House leader earlier this afternoon, and I was pleased to have the discussion and the understanding that I did with him.

● (2140)

Dealing with the bill itself, the first thing that I want to say about it is that as a member of parliament, albeit not

the most experienced, and having seen this parliament operate at least since 1972, I am not completely sure that the best interests, not only of Canadians but of members of parliament generally in the operation of the system, will be served by a method by which for the first time there will be no end to the number of members who may be in the House.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Frankly I think that it is a question principle that the House, in a country of 23 million people, should now embark on a procedure which goes on and on, at least in principle, until it is stopped by legislation of this House. It is really a bad principle. There is more to the representation of people in parliament than merely numbers; there is an aspect of quality to representation. Quality will vary with the member, but the mere insertion of a numerical factor does not guarantee that the House will be a better place. The open end addition of members, however, will guarantee that parliament will become even more unwieldy than it is; that parliament, as a matter of sheer mathematics, will become more expensive than it is; and that it can become less responsive than it is today. These are guarantees as a result of the principle set forth in the bill.

As I said, there are more things to being a member of parliament, and as a member of parliament I would like to see improved, not just the number of my colleagues, but the work that all of us can do on all sides of the House. The first thing that I think is the hallmark of good representative government is that the representation not merely reflect the population but reflect the awareness of the fact that there is opportunity to gain knowledge of the operation of government by all members of the House. Not just for the sake of the member himself, but because our system of government has as its foundation the fact that there is always in the House, at least in principle but sometimes in fact, an alternate government. There is the principle that there ought to be men and women on all sides of the House who, subject to the doctrine of cabinet solidarity and secrecy, have equal knowledge. I do not think that our system today, which breathes and lives on orders in council, on press releases and on ministerial statements when the government decides to make them, leads to good representative government. I would like to see efforts made to adopt the principle of knowledge rather than the numerical principle, as I first mentioned.

Second, I believe that there should be power among members of parliament—all of them, not just in the opposition—to examine the way in which the executive branch, that branch of government which for better or worse is becoming more powerful in our community, conducts itself. I think that if any lesson has been brought home to me since I have come to this place, it is that the right of the private member, the backbencher, whether he sits to the right of Mr. Speaker or to his left, is being diminished. It has been diminished, I suppose, because that cannot help but happen in a very complex society. But it has been diminished as well because institutions within this institution have allowed this to happen, in fact have copped out. That has happened on both sides of the House. The real cause is to ensure that there is this ability in the backbencher of the House to examine and probe, no matter where he sits.

I think that we should have a committee structure that really functions—and that is perhaps more important than the number of members or the people they represent—one that will allow real investigation by private members, by the representatives of the people in the House, of the power of government and how it uses it. We should have a committee structure which is not partisan but which will follow in an evolutionary and continuing way the examination of the estimates and of the operations, expenditures and functions of each department of government, not just to embarrass or to delay but to improve. We do not have that here in the House and we are a long way from it. That is how I would like to see this parliament improved.

I think that the principle of the bill is based solely on the numbers aspect of representation, and in that sense the bill is narrow and is wrong. I am not one who would dare say, whether I believed it or not, that representation by population is not important. Of course it is important. But we should not let that catchword, that cliché, blind us to the importance of the functioning of the House, a House of a reasonable size, where there can be some informality in debate, in order to improve the representative quality that the public of Canada expects from us.

I do not think that the public is prepared at this time to endorse a blank cheque to cover the cost of the operation of parliament. If we pass this bill, that is exactly what they will have to do. Within this bill there are sufficient principles which would increase the number of members without limit. We do not approve of this and we have indicated that we intend to oppose this bill. We cannot accept the suggestion that this is the only way in which representation can be approached. We feel that it is not sufficient, in dealing with the problems of the people of Canada and their representation in the House, to say that we must now adopt for the first time a principle that has no end to it in terms of numbers.

We believe that there should be a form of protection for certain provinces which face a diminution in population, but we think there must be a balance between the two approaches. Having said that we cannot accept the open end principle and that we must accept the fact of Canadian life that there are certain provinces the representation of which is diminishing perhaps unfairly, we must in those circumstances vote against this bill. We will be voting against it on the grounds and in the hope that in the time remaining to us there will be sufficient discussion of the bill not only by members of parliament but by other interested bodies and learned writers in the country. It is important that the principles and ancillary aspects of this bill be recognized before the bill, or something like it if there is an amendment in committee, be put before the House for final disposition.

● (2150)

Mr. Gordon Towers (Red Deer): Mr. Speaker, I rise to take part in this debate hoping that I did not detect a suggestion of blackmail in the remarks of the hon. member for Kenora-Rainy River (Mr. Reid). In a democratic country members of parliament are elected to speak for the

people, and in this debate today I detected frustration. As a citizen I have known frustration for many years, and I know that many people feel that same frustration when they have a government over which they have no control.

We cannot support this bill, Mr. Speaker, primarily because it is an open ended bill. It is like a farmer going down the road with a truck which has lost the end gate and the grain is spreading all over the place. That is what is happening here. The government must make better use of the facilities already at their disposal rather than increase the membership of the House. Increasing the membership is just like spreading a lot of icing over a cake that has fallen to try and fill the holes.

The frustration I speak of is felt by a great many Canadians when they are trying to deal with the bureaucracy of government. The government tries to give the impression that it is caring for the people, but really every time a piece of legislation such as this is introduced it creates a heavier burden on them. The increase in membership of this House of Commons suggested in the bill could cost the taxpayers something in the neighbourhood of $1 million. I believe each member of parliament costs about $60,000 or $70,000 per year, so the increased cost of a larger membership is obvious. It does not mean better government, however. Just today in this House we heard member after member of the Privy Council say that he was responsible for a certain area or region of this country. That is not what democracy is about, Mr. Speaker. That tendency leads to a dictatorship and nothing short of it.

Since I have been a member of this House I have noticed that the government does not make use of the provincial governments. In fact, it tends to erode their authority. This also deprives the individual of the most advantageous government at the municipal level. I could list several programs that the present government has initiated, such as OFY, LIP and DREE, which could well be handled at the municipal level with the guidance of the provincial government. The present policy of the federal government is wrong and the people know it; that is why they become so frustrated with the administration at all levels.

Much time of members of parliament is taken up in dealing with the shortcomings of such programs as unemployment insurance, old age security and family allowances. These programs could be administered at the provincial level and perhaps some even at the municipal level. When the municipalities of the country hold their annual meeting, one of their major complaints is the lack of co-operation they receive from senior government; the provincial governments cannot give that co-operation until they have the authority from the federal government. I urge the government to give more authority to provincial and municipal governments for the administration of these programs. Certainly I believe that we must have a strong federal government, but that does not mean to say it should meddle in the business of provincial governments.

The bill before us proposes to increase membership of the House of Commons by 15 seats, and I imagine we could tolerate that over a period of time. But the bill also suggests 307 seats by 1981. We should consider the cost of this to the taxpayers. If they do not receive benefit from this extra cost their frustration will increase.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ENVIRONMENTAL AFFAIRS—EXPORT OF WATER TO UNITED STATES—GOVERNMENT POSITION—REQUEST FOR EXPLANATION OF FORMER MINISTER'S POSITION ON EXPORT OF WATER

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, I am concerned that we still do not have a consistent and clear statement of policy from this government on the very important question of the export of water. Back in early October when I delivered my maiden speech to this House, there was the clear implication from the hoots and snickers from back benches that all of my concern about the government's non-policy on the export of water was simply a figment of my imagination. When I brought up the contradictions of former Liberal ministers on this question, the Minister of Finance (Mr. Turner) and the Minister of Energy, Mines and Resources (Mr. Macdonald) jibed that my assertion that the government had no policy regarding water export was simply not true.

● (2200)

Thinking this response odd, especially in light of the research that I have done on this subject, I asked the Minister of the Environment (Mrs. Sauvé) on October 18 whether she is in favour of the export of Canadian water to the U.S. As the minister responsible, she then enunciated government policy, which was a flat no, she was not in favour of the export of Canadian water. Contradicting herself two weeks later in response to another question, in which I again asked what the government's policy regarding water export was, she said, "We have no policy."

Seeing the gross confusion among senior cabinet officials, I thought perhaps I should try to get clarification once and for all. So today I asked the Prime Minister (Mr. Trudeau) whether or not he was in favour of the export of Canadian fresh water supplies for good hard cash, and he contradicted all of his ministers by answering "Yes".

I ask, is the answer yes, no, or maybe? I thought that when cabinet ministers spoke, they spoke after they had discussed positions in caucus and arrived at a unified decision. Apparently this is not so. I thought that the

Prime Minister, as head of the government, would have the final say on what is happening. No wonder when I first raised the issue the Minister of Finance, the Minister of Energy, Mines and Resources and their back bench noisemakers seemed nervous. Needless to say, I find this quite disturbing. It is time for clarification and leadership on this matter.

Setting aside the red herring issues whereby local arrangements between communities on two sides of the border share a singly developed local supply and the export of bottled water and other such products which incorporate water, such as wines and whiskies, Canada's waters should not now or ever be for sale.

It has frequently been claimed by those who see water export as a great economic opportunity that Canada has so much water and uses so little. Why not determine the obvious surplus, they say, and sell it for good hard cash? This suggestion was directed to the Prime Minister earlier today, and he concurred in it. That is amazing. I wonder how members of the cabinet can accept that position.

Newspaper accounts often credit this country with 25 per cent, some say even 40 per cent, of the world's fresh water resources. Such estimates are not merely misleading, they are inaccurate. Most of the world's water not found in the oceans or locked up in polar ice and glaciers is stored underground. Canada's over-all groundwater situation is not known with any degree of reliability, but what we do know is not especially promising. Too many of our northern lands are bared of soil, impregnated with permafrost and underlain with impermeable crystalline rock or saline formations to make probable much groundwater potential or to create great expectations, other than on a local scale. Where Canada does excel is in its lake area, which is perhaps greater than that of any other country in the world. Lakes are invaluable for regulating the flow of rivers to the sea, but ours are, for the most part, the legacy of an ice age which ended several thousands of years ago. Lakes are not renewable except at a cost to the rivers which fill and drain them.

The only real measure of a country's water supply, therefore, is its renewable streamflow. On an average annual basis, Canada's rivers discharge not 40 per cent, not 25 per cent, but slightly less than 9 per cent of the world's renewable water supply, roughly 3.5 million cubic feet per second. Set against a Canadian population which is less than 1 per cent of the world's population, this is a generous endowment indeed; set against a territorial area which is about 7 per cent of the world's land mass, however, it is not so disproportionate. Also, this national data must be tempered with the knowledge that it disguises wide variations of water availability in time and place. Much of the Canadian west is not well-watered. Indeed, almost two thirds of our runoff is carried northward into the Arctic ocean.

On the demand side, there are similar misconceptions. A conventional determination of future water demand in Canada, the rest to be considered surplus, might add up projections of present uses for domestic, industrial, irrigational, electrical and recreational purposes in terms of discrete quantities. In the wider scheme of things, Canada's water must emerge as more than a commodity to be harvested, processed and transported like a bushel of wheat or a barrel of oil. It is an integral element of our environment. It is, therefore, basic to our national identity, to our understanding of what this country is all about.

It is crystal clear that water export has no place in that future. Our priorities and our opportunities in water management are here within our national and provincial boundaries. We will face enough challenge when dealing with the ramifications of major water projects for Canadians, without exaggerating these for the convenience of others.

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

Mr. Wenman: On a point of order, Mr. Speaker. If you take into account the two or three minutes to make the changeover to adjourn parliament, I believe I have another minute left.

Mr. Deputy Speaker: Order, please. No point of order can be raised at this stage of the proceedings. The hon. member knows the Chair tries to be fair and just at all times.

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, on October 18 the hon. member for Fraser Valley West (Mr. Wenman) made reference not to one concern, but three. Let me speak to each of these concerns in turn.

With regard to water export, the Minister of the Environment (Mrs. Sauvé) clearly stated in response to the hon. member that she is not in favour of water export and that no discussions have been held with the United States to that effect. Nor has the United States government ever proposed that we consider exporting our water.

However, let us be very clear what is meant by the term "water export". The artificial diversion out of this country of waters which are entirely Canadian would, of course, be water export. This in fact, has never occurred. For emphasis, Canada's water is simply not for sale. When the hon. member speaks of Skagit, Garrison and so on, he must realize that these are boundary and transboundary waters which are the joint responsibility of the government and transboundary waters which are the joint responsibility of the governments of the United States of America and Canada. In their natural state, they cross or form the boundary between our two countries and do not solely lie within the jurisdiction of either country. Thus, the Boundary Waters Treaty of 1909 provides the instrument which governs the actions which can be taken by either country. Through the Department of External Affairs, discussions have been initiated and will continue to be initiated with the United States concerning these and other boundary and transboundary water issues to ensure that Canadian rights are always protected.

The third concern the hon. member expressed interest in was the federal role in water management on both the international and federal-provincial fronts. Examples of actions taken on the international front include the legislated protection of our Arctic waters in 1970, followed by our continued efforts for global agreement at the Law of the Sea Conference on regulations controlling offshore and oceanic pollution. After probably the most intensive

investigation ever undertaken into major lake pollution, Canada and the United States entered into the Great Lakes Water Quality Agreement in 1972 to restore the Lakes' quality by funding treatment plants and research applications within the next few years.

The Canada Water Act provides for water programs on the federal-provincial front. We have now completed comprehensive development plans jointly with the provinces for the Qu'Appelle, Okanagan and Saint John basins. Newer activities include the 1973 agreement with Ontario to jointly undertake a $0.7 million Great Lakes shore damage survey, the 1974 agreement with Alberta and Saskatchewan to cost-share a $2 million submerged weir to restore water levels in the Peace-Athabasca delta, and a subsequent agreement with Saskatchewan and Manotoba to cost share a $1.1 million comprehensive investigation of the Souris basin.

Mr. Wenman: Is there time for a question, Mr. Speaker?

Mr. Deputy Speaker: I must remind the hon. member that the adjournment debate does not provide for points of order or questions.

Motion agreed to and the House adjourned at 10:11 p.m.

HOUSE OF COMMONS

Tuesday, December 3, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Fourth report of Standing Committee on Regulations and other Statutory Instruments—Mr. McCleave.

[*Editor's Note: For text of above report see today's Votes and Proceedings.*]

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[*English*]

TRANSPORT AND COMMUNICATIONS

MOTION FOR CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

On the order: Presenting Reports from Standing and Special committees:

November 29, 1974 MR. J. CAMPBELL (LASALLE-ÉMARD-CÔTE SAINT-PAUL) chairman of the Standing Committee on Transport and Communications:

That the second report of the Standing Committee on Transport and Communications, presented to the House on Thursday, November 21, 1974, be concurred in.

Mr. Speaker: Yesterday, in reference to this subject matter, it was indicated that the Chair was in considerable doubt as to the propriety of the report from the procedural point of view. I invited hon. members who wanted to do so to contribute to that subject today. It would be my intention to hear hon. members who wish to make a contribution and probably to reserve whatever judgment I propose to deliver until some time later this week.

Mr. John Campbell (LaSalle-Émard-Côte Saint-Paul): Mr. Speaker, last Thursday apparently there was procedural difficulty regarding this recommendation brought before the House. We have been able to gather some material that I believe will be helpful to the Chair in reaching a decision. During the consideration of private members' business last Thursday there was an indication that the Chair might be asked to rule at the appropriate time on whether or not the second report of the Standing Committee on Transport and Communications could be received. Before such decision is taken I would seek from the Chair permission to make some comments.

● (1410)

It was argued last Thursday that it was beyond the capability of a standing committee to make a report of this nature to the House since its order of reference was only to consider Bill S-11. The authority cited was Beauchesne's Fourth Edition, citation 304, where it is stated:

(1) A committee may only consider those matters which have been committed to it by the House.

(2) A committee is bound by, and not at liberty to depart from, the order of reference.

Beauchesne himself cited his own authority, which was the Fourth Edition of Bourinot's Parliamentary Procedure, page 469. It appears that the House may have strayed from the original principle in recent years to the point where it may be useful to quote the original authority *in extenso:* I believe most hon. members are aware that the two paragraphs I have mentioned go beyond Bourinot's Parliamentary Procedure. There are two sentences in this citation which should be considered very closely. The first is:

Consequently, if a bill be referred to a select committee it will not be competent for that committee to go beyond the subject matter of its provisions.

It would appear clear that committees are not restricted to the provisions of a bill but can also consider the subject matter of the provisions of a bill, public or private. Accordingly, committees should indeed be competent to submit to the House recommendations dealing with the subject matter of the provisions of a bill. Should the judgment of the committee be challenged, then it should be through a decision of the House and not a decision of the Chair. The second sentence or part thereof which warrants attention is the following:

No such restrictions apply to committees on private bills . . .

There may be some who would argue that this citation finds no application, but the fact is that there appears to be no precedent where the House or Mr. Speaker have refused committees the right to submit to the House reports of the nature of the report now brought before it. Dealing in particular with recommendations submitted by committees in relation to private bills, Bourinot at pages 603-604 reads as follows:

In case the bill is withdrawn or otherwise fails to become law, the fee of $200 is refunded, generally and properly on the recommendation of the committee on the bill. Sometimes the committee will recommend that it be refunded on other grounds:

Because a bill has been rendered necessary by the action of the general legislature. Because the necessity for its passage arose from no fault of the promoter, but from circumstances beyond his control. Because the committee have materially diminished the powers asked for. Because it is not liable to the fee and charges levied on private bills. Because it is a mere amendment to the general act respecting banks and banking. Because a project is of a great public benefit to a locality, because the promoters of the bill have agreed to accept the provisions of a general act passed that session: because it has to a great extent been superseded by the provisions of a public bill. Because a bill

has been consolidated with another, on which fees are paid, or because it is a mere amendment to a previous act.

The only vehicle available to committees, on a bill for presentation to the House, of such recommendations is a report. The House has consistently received from committees dealing with private bills, reports containing recommendations without challenge. The fact is that if the Chair refuses to seize the House of the second report of the Standing Committee on Transport and Communications it would probably be establishing a new rule for which it would be difficult to find a precedent. Should the Chair allow itself to be placed in a position where it would be substituting its judgment for that of a committee on grounds other than procedural grounds? The question is of some importance because there does exist an analogous precedent in recent years, at least as far as procedure is concerned.

It is true that the mode of relieving a company of charges levied under standing orders is different, but that is a matter of judgment to be decided by the House and not a matter of procedure to be decided by the Chair. On May 30, 1967, the House referred to the Standing Committee on Transport and Communications, Bill C-104, an act respecting the Bell Telephone Company. On October 20, 1967, the committee submitted to the House the following report:

Your committee has before it Bill C-104, an act respecting the Bell Telephone Company of Canada.

Your committee unanimously recommends that the capital stock charges in the amount of $150,400 collected and paid to the Receiver General of Canada, and deposited in the Consolidated Revenue Fund in the course of the past session (1966-67), by the Bell Telephone Company of Canada, be applied to the capital stock charges levied at this session.

The said report was concurred in on October 24, 1967. The Chair then had no objection whatsoever to the moving of a motion for concurrence in the said report. It is therefore difficult to understand why any objection should be raised to a motion for concurrence in a similar report at this time. The Chair is now being asked to rule out of order what the House declared in order only a few years back. Should the Chair decide that committees cannot submit recommendations in any form to the House in connection with their consideration of bills, then there will undoubtedly arise problems of a practical nature. May I quote, as one example, the report submitted by the Standing Committee on Railways, Canals and Telegraph Lines on March 24, 1960, which was concurred in by the House on the same day:

Your committee reported this day Bill S-16, an act to incorporate Matador Pipe Line Company, Ltd., as its fourth report.

Clause 3 of the bill provides for capital stock of one hundred thousand common shares without nominal or par value.

Your committee recommends that, for taxing purposes under Standing Order 94, each common share shall be deemed to be worth one dollar.

By unanimous consent, on motion of Mr. Howe, seconded by Mr. Baldwin, the said report was concurred in.

If committees are not permitted to report recommendations to the House, then in such cases there can be no application of the provisions of Standing Order 91 inasmuch as there would be left no vehicle whereby the committee could ask the House to agree to an evaluation of shares. The same would be true of Standing Order 105.

[Mr. Campbell.]

May I assure you, Mr. Speaker, and the House that the committee, in ordering the presentation of its second report to the House acted in good faith and within the four corners of parliamentary tradition. If Your Honour decides to take under advisement the objections raised, then may I suggest that the following points be considered. First, there is little basis for the contention that committees charged with the consideration of a bill cannot submit recommendations to the House. Second, dealing with private bills specifically, there would appear to be no precedent where a committee report was ruled out of order on the grounds that the bill was the order of reference and recommendations could not be received. Third, the report submitted to the House by the committee is procedurally consistent with each and every report of the same nature submitted by this or any other committee in the past. It has not been brought to the attention of the Chair that any such report was ever ruled out or order, and the Chair might not wish to impose upon committees conditions which the House itself did not impose either through its Standing Orders or its decisions.

Fourth, a decision to deny committees considering bills, public or private, the right to submit from time to time reports containing recommendations would necessarily entail far reaching consequences in several areas: For instance, where a committee submits that a bill be divided, that a witness has refused to appear, that the order of reference should be expanded, that the bill should more properly be considered by another committee, that the committee be allowed to travel, etc.

In conclusion, the committee which honoured me by electing me its chairman has taken a unanimous decision which it hopes will be submittted to the judgment of the House. Decisions of the Chair are not subject to appeal, and should the decision of the Chair be that the report of the committee is out of order there would be no opportunity left for the members of the committee to justify, in parliament, their position. The committee felt that it was acting within its capability, competence and responsibility and hopes that its decision will be concurred in by the House.

I would respectfully request that the motion be put, but if there are misgivings it would be my suggestion that all the matters raised today in this respect be referred for immediate consideration either to the Standing Committee on Procedure and Organization or to the Standing Committee on Miscellaneous Private Bills and Standing Orders.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, may I at the outset indicate my support for the position which the committee has taken in this report, namely, that the company concerned should not have to pay the very extravagant fee which is apparently required in this case. However, there is a procedural point of some importance here. It concerns the powers of parliamentary committees to make representations to the House of Commons. Your Honour will recall that your predecessor, Mr. Speaker Lamoureux, on June 18, 1973 delivered a ruling on the nature and the ability of a committee to make a report on the estimate. Taking that as the beginning, I submit that the restriction on a committee to make reports on bills

referred to it is equally restrictive and obligatory, and that the committee may report only on a bill and amendments thereon. I do not think it necessary to quote the report of the standing committee or the reference. I think these are easily found.

● (1420)

However, I want to deal with House of Commons Standing Order 65(8) which reads as follows:

Standing committees shall be severally empowered to examine and enquire into all such matters as may be referred to them by the House, and, to report from time to time, and, except when the House otherwise orders, to send for persons, papers and records . . .

The point is that the matter of the fee in Bill S-11, according to the reference on Thursday, November 7, was not referred to the committee and is not encompassed in the reference that was made to that committee. What was referred to the committee was Bill S-11 which the committee must report with or without amendment to the House of Commons. Beauchesne's Fourth Edition, citation 304(1) at page 244 reads:

A committee can only consider those matters which have been committed to it by the House.

Citation 304(2) clearly states, and I quote:

A committee is bound by, and is not at liberty to depart from, the order of reference. In the case of a Select Committee upon a Bill, the Bill committed to it is itself the order of reference to the Committee, who must report it with or without amendment to the House.

May's eighteenth edition at page 620 makes the following point:

A select committee, like a Committee of the whole House, possesses no authority except that which it derives by delegation from the House by which it is appointed. When a select committee is appointed to consider or inquire into a matter, the scope of its deliberations or inquiries is defined by the order by which the committee is appointed (termed the order of reference), and the deliberations or inquiries of the committee must be confined within the limits of the order of reference. But when a bill is committed, or referred, to a select committee, the bill is itself the order of reference, and the inquiries and deliberations of the committee must be confined to the bill and amendments relevant to the subject-matter thereof.

What the House might wish to do concerning the fee paid by British Columbia Telephone Company is a totally separate issue from Bill S-11. In view of the fact that Bill C-29 will apparently standardize the fees paid by companies seeking to enlarge their capitalization, the House may wish to consider bringing its Standing Order fee provisions into line with the new legislation or it may wish to order the Standing Committee on Transport and Communications or the Standing Committee on Miscellaneous Private Bills and Standing Orders to consider the question of the fee to be paid, or not paid, by British Columbia Telephone Company. Beauchesne, citation 304(3) at page 244 reads:

When it has been thought desirable to do so, the House has enlarged the order of reference by means of an instruction or in the case of a Select Committee upon a Bill by the committal to it of another Bill. Mandatory instructions have also been given to Select Committees restricting the limits of their powers or prescribing the course of their proceedings, or directing the committee to make a special report upon certain matters.

(4) Sometimes a committee may have to obtain leave from the House to make a special report when its order of reference is limited in scope.

Means exist, therefore, under the rules of the House to allow the committee to consider, and make recommendations on, the fee to be paid in connection with Bill S-11. However, such means do not now exist under the committee's present order of reference with application to Bill S-11 and any recommendation other than reporting the bill with or without amendments is out of order.

The important thing here is the nature of the reference and the fact that in commenting on the fee payable the committee exceeded its order of reference. The normal procedure of the House of Commons is that a committee has the power to amend a bill, by which means it expresses its opinion on the bill. Such a report, including an amendment, is, in effect, a report to the House of Commons that a substantive change is necessary. But the authorities do not contemplate at any point the possibility of a committee making extraneous reports or commentaries on legislation referred to it in the form of a bill.

I think Your Honour must find, taking into consideration the arguments I have advanced, and the direction your predecessor has provided, that this report is out of order.

Mr. Elmer M. MacKay (Central Nova): As I see it, Mr. Speaker, the problem inherent in the procedural point raised regarding this report is referable to section 16 of the Financial Administration Act. While I am in considerable sympathy with the remarks made by the learned chairman of the Standing Committee on Transport and Communication, I should like to call the attention of the House to an interesting reference by a former Auditor General, Mr. Watson Sellar, in an audit office guide which he wrote for the instruction of Treasury Board officers in 1958. On page 24 of this publication, he mentioned a situation which arose in 1929 when motions to remit funds for private bills withdrawn were, for the first time, rejected by the Speaker whose explanation was:

It is essentially contrary to section 35 of the Consolidated Revenue Act (now section 16 of the Financial Administration Act) which stipulates that any fees received by the officers of the House shall be deposited at the bank, when they become the property of the Receiver General of Canada. To remit such fees would require an estimate from the Minister of Finance.

This was reported in *Hansard* of June 14, 1929, at page 3762. The Speaker's ruling was not, of course, binding on the Senate, so a degree of inconsistency existed in practice until the act was amended.

It seems obvious that the moment the funds were paid by the B.C. Telephone Company they became the property of the Receiver General of Canada and should have been, and likely were, deposited in the Consolidated Revenue Fund by the Chief Clerk of Committees.

It would therefore seem there would be little point at this time in sending a reference to the committee instructing it to deal with the question of the funds, should such action be contemplated, if only because the funds are not there any more; the only way to have them retrieved, if, in fact, it is proper to do so, would be pursuant to section 16 of the Financial Administration Act which is entirely within the discretion of the Minister of Finance. So, regardless of what may happen with regard to Bill C-29, the Canada Business Corporations Act, discretion remains

with the Minister of Finance to take whatever action he deems to be equitable in the circumstances.

This question is causing considerable concern because of the size of the fee and the relevance it might have to telephone rates in British Columbia. While I am all for seeing the powers of committees preserved and, if possible, extended, I have grave doubts as to the relevance of this recommendation. We are dealing here with a delicate matter related to the responsibilities placed upon some of the officers of the House in connection with fees of this type.

Mr. Stanley Knowles (Winnipeg North Centre): I rise, really, just for the purpose of asking whether the provision set out in Standing Order 99—

Mr. Grafftey: You just couldn't keep out of it, could you, Stanley?

Mr. Knowles (Winnipeg North Centre): —have been carried out with respect to this bill. Standing Order 99 reads as follows:

> No motion for the suspension or modification of any provision of the standing orders applying to private bills or to petitions for private bills shall be entertained by the House until reference has been made to the Standing Committee on Miscellaneous Private Bills and Standing Orders . . .

And so on. It seems to me if that reference were made, then, of course, the committee could report thereon. If that reference were not made, it would seem to me that the committee does not have the right to report thereon but that a request would have to be made for that reference.

● (1430)

[*Translation*]

Mr. Speaker: The hon. member for Lotbinière on a point of order.

Mr. André Fortin (Lotbinière): Mr. Speaker, I will keep my comments to myself since the chairman of the transport committee is aware of my views. I have no comment to make now.

However, I wish to point out on behalf of my fellow Social Crediters that an unfortunate situation has now occurred. Today is an opposition day allotted to our group for the consideration of subsidies. It is our only opposition day before the holidays and since the beginning of this Parliament, and already 20 or 25 minutes have gone by, the question period has not yet started and the orders of the day are not yet completed.

Mr. Speaker, in connection with the point of order, I wish to convey our regrets and ask the Privy Council to try to plan better its agenda, so that when it asks the co-operation of members for the passage of government measures we may be in a position to co-operate. On the other hand, it should also co-operate with us when it comes to allotted opposition days.

[*English*]

Mr. Speaker: Order. I thank hon. members for their valuable contributions to the question, and as I have indicated will be delivering my ruling and the reasons therefor probably tomorrow.

[Mr. MacKay.]

MANPOWER

SUGGESTED INQUIRY OF ALLEGED POLITICAL INTERFERENCE WITH LOCAL INITIATIVES PROGRAM— REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to ask permission of the House to move a motion of urgent and pressing necessity with regard to the Local Initiatives Program and to copies of additional government documents which I would be prepared to table today. I ask permission to move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

> In view of copies of further government documents now available today, including ones signed by D. C. Trehearne, R. J. Gairns, Robert K. Andras and others, showing evidence of political interference and manipulation with the Local Initiatives Program as illustrated by project numbered X1074 in the constituency of Capilano in the province of British Columbia, the House requests a full and independent inquiry by a royal commission to determine the extent of political scandal in the handling of the Local Initiatives Program.

Mr. Speaker: Order, please. The House has heard the terms of the motion. Because of the reference in the terms of the motion to documents which have become available this day, there would be some element of immediacy to it which did not exist hitherto. However, the motion being proposed pursuant to Standing Order 43 it requires unanimous consent before it can be debated. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Cossitt: Mr. Speaker, on a point of order, I should like to ask whether I have the permission of the House to table these documents. Surely, the government is not afraid. If it has nothing to hide and there is no scandal, why will the government not agree to my tabling the documents?

Mr. Speaker: The hon. member knows there is no provision in the rules for a private member to table or file documents in any way. However, the hon. member, having the documents in his possession, presumably can make them public in a number of other ways.

* * *

SENATE AND HOUSE OF COMMONS ACT

AMENDMENT TO PROVIDE FOR MEMBERSHIP OF INDEPENDENT MEMBERS ON COMMITTEES

Mr. Leonard C. Jones (Moncton) moved for leave to introduce Bill C-368, to amend the Senate and House of Commons Act (independent members of the House of Commons).

Some hon. Members: Explain.

Mr. Jones: Mr. Speaker, the Speaker of the House of Commons can always be relied upon to uphold the rights of minorities in this House. To this I might add that Your Honour, as Speaker, and your staff have been of tremendous assistance to myself as an independent member. Truly, you have been like a godfather, very co-operative.

Some hon. Members: Oh, oh! Explain.

Mr. Jones: However, membership on committees is subject to the vagaries of the party whips, and the purpose of this bill is to amend the Senate and House of Commons Act to provide that independent members or those not associated with any recognized party shall be entitled to membership on at least two standing committees.

Mr. Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the bill? I hope that is not construed as an offer that the House cannot refuse!

Motion agreed to, bill read the first time and ordered to be printed.

ORAL QUESTION PERIOD

[*Translation*]

PUBLIC SERVICE

GRAIN INSPECTORS STRIKE—REQUEST FOR REPORT ON PROGRESS OF NEGOTIATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to put a question to the President of the Treasury Board.

In answer to a question asked a few days ago, the minister indicated that grain inspectors had the right to strike and he expressed the hope that an agreement would be reached by normal means. Is the minister now in a position to announce that indeed such an agreement has been reached?

Hon. Jean Chrétien (President of the Treasury Board): No, Mr. Speaker.

[*English*]

GRAIN INSPECTORS STRIKE—ADEQUACY OF SUPPLIES IN EASTERN CANADA THIS WINTER

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a further question for the minister in charge of the Wheat Board, but perhaps the Prime Minister can give me the information. In view of the strike and the absence of any report of a concrete nature from the President of the Treasury Board, and in view of reports abroad that this means a shortage of grain in the east for milling and other purposes, can the Prime Minister tell the House whether his government has had an examination of inventories conducted and that he can assure the House there will be sufficient grain in eastern Canada this winter to meet the needs both for human and animal consumption?

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, of course this matter deeply concerns the government, and the minister in particular. We discussed it this morning, he and I, and we will continue to do so during the course of the day. As far as the exact inventory to which the Leader of the Opposition referred, it is obvious that that depends on the assumptions considered, namely whether the strike will last any length of time or not.

[*English*]

Mr. Stanfield: The Prime Minister has stated to the House that no inventory has been taken, but his answer depends on certain hypotheses. In view of the fact that the government has substantially created this problem itself, does not the Prime Minister feel under any obligation to give the House and the people of the country some assurance that there will be no shortage this winter? Finally, may I ask the Prime Minister whether he has been able to create a mess like this without even trying?

GRAIN INSPECTORS STRIKE—USE OF OCEANGOING VESSELS ON GREAT LAKES TO TRANSPORT GRAIN TO EASTERN CANADA

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my supplementary question is for the President of the Treasury Board and it arises out of the fact that as of midnight last night there were approximately 80 oceangoing vessels above the port of St. Lambert and 63 above Port Waller, all of which must be out of the Seaway system by two weeks from today.

In view of this fact that there are currently numerous ocean vessels in the Seaway system capable of transporting grain to eastern terminals before the closure of the system, can the minister assure the House that these vessels will in fact be utilized to alleviate the supply situation in eastern Canada, and that they will not be allowed to leave the system empty of grain cargo?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, all these vessels are not scheduled to carry grain and, according to the events, we will see what use we can make of them.

[*English*]

Mr. Speaker: The hon. member for Perth-Wilmot on a final supplementary.

GRAIN INSPECTORS STRIKE—CONTINGENCY PLANS FOR TRANSPORTING GRAIN TO EASTERN CANADA

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, in the absence of the Minister of Transport I will address my supplementary to the minister responsible for the Wheat Board. It is estimated that a ship is capable of carrying up to one million bushels of grain per run, while a boxcar can transport only 2,500 to 3,000 bushels. In view of the fact it now appears that if government action is not taken immediately to end the grain inspectors' strike, the seaway will in fact close and domestic grain supplies will be dependent upon rail transport, will the minister reveal the contingency plans which the Minister of Transport indicated he would be preparing to ensure that there are grain supplies in Eastern Canada for the upcoming winter, especially since this is a matter directly related to the public interest?

● (1440)

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I think the Minister of Transport very carefully avoided going into detail about the nature of the plans and for the rather good reason that while negotiations and discussions are going on it is inadvisable to examine in the House the alternatives based on a number of hypotheses. Naturally, at the same time we examined what can be done in different circumstances and when the time is right we will make the plans known.

GRAIN INSPECTORS STRIKE—PROTECTION OF CONSUMER AGAINST PRICE INCREASES FOLLOWING SETTLEMENT

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my supplementary is also directed to the minister responsible for the Canadian Wheat Board. In view of the fact that a continuation of the grain inspectors' strike until the closure of the St. Lawrence Seaway will create a supply situation which will promote inevitably an increase in the price of domestic milling grain in eastern Canada, will the minister inform the House of the contingency plans he has created to ensure that consumers in this part of the country will not bear the burden of unnecessary price increases in essential consumer items, caused in part at least by government inaction in formulating an acceptable settlement of this strike?

Hon. Otto E. Lang (Minister of Justice): Well, Mr. Speaker, not only is the conclusion a simple barb not designed to get at any part of the whole question, it is clearly in those terms hypothetical. We are hopeful that a great volume of grain will still move down the seaway.

* * *

INDUSTRY

AUTOMOBILES—GOVERNMENT ACTION TO DEAL WITH FURTHER LAY-OFFS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the fact that General Motors Corporation of Canada announced there would be 2,095 employees laid off by that company in the coming weeks, bringing the total number of lay-offs in the automotive industry somewhere in excess of 9,000, I should like to ask the minister if he has been in touch recently with the corporations in Canada to find out what their plans are for the coming weeks and whether he would tell us what plans his government has to deal with the anticipated increase in lay-offs.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, yes I have. The position I announced in the House the other day described the condition as then existing as cautiously optimistic, and this has been confirmed by the heads of the major automobile manufacturers in Canada. I have been advised also in respect of the General Motors lay-off to which the hon. member referred that even after it is completed there will be 30,850 employees whereas in January this year employment was at a level of 31,500 reflecting on a year over year basis only a very modest change in that corporation.

AUTOMOBILES—DIFFERENTIAL BETWEEN PRICES IN CANADA AND UNITED STATES

Mr. Edward Broadbent (Oshawa-Whitby): There is a marvellous optimism which prevails, Mr. Speaker. I have a second supplementary. Since the price of automobiles is obviously related to the number of cars sold, and since the minister has frequently told the House that the difference between the Canadian and United States price is in the neighbourhood of 7 per cent, could he inform the House if that 7 per cent figure pertains to 1975 models?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I believe that figure is within the ballpark. The reason I have a slight reservation is that there is a different percentage for each of the three major companies. If we take the three major companies I think that would be of the right order. The point I have made in the past is that there has been a diminishing percentage over the last few years.

Mr. Speaker: The hon. member for Oshawa-Whitby on a final supplementary.

Mr. Broadbent: Mr. Speaker, my final supplementary is directed to the Prime Minister. In view of the fact that a random check of the three major motor companies in Canada, Chrysler, Ford and General Motors, recently taken in respect of the prices at which they were selling cars in Canada compared to the United States indicated that the price difference today for a medium-sized car is in the neighbourhood of 17 per cent and the price differential for a small sized car in respect of all three companies, which I think is rather curious, is in the neighbourhood of 11 per cent, would the Prime Minister take steps to have either the minister's staff changed or the minister himself so that we can get some accurate information.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it would seem to me that the difference comes from the fact that the hon. member is using retail figures, as I understand it, whereas the figures on which we rely are wholesale figures. Perhaps the hon. member, if he does not change his staff, will send me figures.

* * *

UNEMPLOYMENT INSURANCE

ELIGIBILITY OF LAID-OFF AUTO WORKERS FOR BENEFITS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my supplementary is directed to the Minister of Manpower and Immigration. Of these 9,875 Canadian workers who are facing various periods of unemployment in respect of General Motors, Ford and Chrysler Canada, 2,965 or almost 3,000 have been informed that their termination of employment is for an indefinite period. As there seems to be some question of interpretation by the Unemployment Insurance Commission officials concerning whether indefinite termination actually qualifies these people for unemployment insurance, I wonder if the min-

ister is in a position to clarify the situation of confirm that these benefits are payable to these workers.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, my first impression is that they would not be denied benefits, but I should like, with respect, to have the opportunity to examine the hon. member's question and give him an answer at the earliest possible date.

* * *

[*Translation*]

FINANCE

REQUEST FOR REMOVAL OF TAX ON PLEASURE BOATS

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to direct a question to the Minister of Finance.

In the recent budget speech, he has announced a 10 per cent surtax on pleasure craft with 20 or more horsepower engine. This measure seriously affects that industry which, on the one hand, has been subsidized to create jobs and which, on the other, sees the price of its craft increased to a prohibitive level, even though they consume very little gas. Has the Minister of Finance received representations from craft manufacturing companies all across the country and, if so, how well has he received their representations that he merely abolish that tax?

Hon. John N. Turner (Minister of Finance): The answer is yes, Mr. Speaker. I think we will consider the representations from those companies. We still may discuss this question in the House, in committee of the whole, when we will consider the bill.

* * *

[*English*]

EXTERNAL AFFAIRS

IMPRESSION CREATED BY PRIME MINISTER DURING MEETING WITH PRESIDENT FORD

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. Before I ask it I am sure I speak for all members of the House when I say we wish him well on his very important visit to Washington tomorrow.

Some hon. Members: Hear, hear!

Mr. Hees: In view of the very short space of time that is allotted to the very important discussions that will take place between the new United States President and the Prime Minister, does he feel confident that he will be able to create the good impression which is so vital at the present time which was so startlingly absent during the President's last visit to Ottawa?

Right Hon. P. E. Trudeau (Prime Minister): The hon. member will realize why it is not possible to spend more time with the President if he recalls the motion made by the House Leader of the New Democratic Party. I am pressed to go on to Winnipeg as soon as possible, but I will do my best in the short time I will have with the President.

Mr. Hees: I have a supplementary, Mr. Speaker. In the short time he has during his conversation, if the Prime Minister begins to get the feeling that criticism will be unavoidable will he do his very best to have himself compared to a more lofty portion of his anatomy than was the case the last time.

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, I know the hon. member is interested in literary matters and I would refer him to the Dictionary of American Slang where he will see that I came out of this as a very good friend.

Mr. Hees: Mr. Speaker, on a point of privilege, I think the Prime Minister was referring to the fact that he had said earlier, and said again today, that I do not know the difference between a hole in the ground and razzmataz. It is a very serious charge against a member of parliament and therefore I looked up the definition of both terms in both French and English dictionaries. The best definition by far of "hole in the ground" is given in the French dictionary as follows: "hole in the ground or water hole—un trou d'eau". The word razzmataz —very important in this case—is not listed in the French dictionary, but in the English dictionary the definition reads: "razzmataz, what Nixon described Trudeau as".

● (1450)

Some hon. Members: Hear, hear.

Mr. Hees: It is obvious to all hon. members that there is no difference between the two expressions.

Some hon. Members: Oh, oh.

Mr. Hees: Let us see him match that.

Mr. Trudeau: Mr. Speaker, in view of this enlightening information I would now amend my earlier statement to say that the hon. member does not see the difference between a hole in the ground and a hole in his head.

Some hon. Members: Hear, hear.

Mr. Hees: New writers are needed.

* * *

FISHERIES

INVESTIGATION OF ICNAF QUOTA VIOLATIONS—GOVERNMENT ACTION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Minister of State (Fisheries). At a press conference in Newfoundland last week the minister announced that the RCN destroyer *Annapolis* had left the previous day to do patrol work off the northeast coast of Newfoundland and Labrador and would do on-board inspection of foreign ships fishing in that area. Can the minister tell the House how many ships have been boarded, if it was found that some of the foreign ships are

violating the quota system worked out by ICNAF and, if so, what actions have been taken by this government?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, at one point during that conference I thought the hon. member had resigned from the House and joined the press corps. I was very pleased to see him in attendance.

However, in response to this very serious question I must say that I have not had a report on the results of these boardings as yet. I will look into this matter and inform the hon. member.

* * *

THE CANADIAN ECONOMY

INFLATION—GOVERNMENT MEASURES TO COMBAT

Mr. Heward Grafftey (Brome-Missisquoi): My question is based on the fact that the federal government's annual expenditures have more than doubled over six years from $12 billion to over $26 billion. In view of the statement by the chairman of th Economic Council of Canada that domestic inflation is largely caused by federal government expenditure duplication and waste, I should like to ask the minister when the federal government will take a leadership role in battling inflation and when the Minister of Finance will present to the House of Commons the government's precise program to wrestle inflation to the ground.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman was here on budget night and he heard me elaborate on that quite fully. The chairman of the Economic Council also referred to structural changes in the cost of energy, the cost of food and other contributing factors to inflation in this country and elsewhere.

Mr. Grafftey: In view of the fact that the minister himself stated that the government in the budget was more preoccupied with the problem of recession, is it not his intention at a future time to present a precise program to the House to battle inflation as opposed to the recessionary considerations with which he was involved in the budget this year?

Mr. Turner (Ottawa-Carleton): That is not exactly what I said on budget night. I said that there were twin problems, the problem of inflation and the problem of the threat of recession, and in order to fight them, I recommended for the 1975-76 year a stimulus in the amount of a cash deficit of $3 billion, largely achieved by tax cuts both at the corporate sales tax and the personal tax levels which would give that stimulus in a non-inflationary way. In other words, I hoped to achieve a stimulus to protect us against the threat of recession but in as non-inflationary a fashion as I could.

[Mr. Carter.]

PUBLIC SERVICE

GRAIN INSPECTORS STRIKE—REQUEST FOR ACTION TO HAVE GRAIN MOVED

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is supplementary to other questions but it relates to the non-movement of grain. It arises from representations made only this morning to me by feeders in my area. I will put my question to the Prime Minister; perhaps he can do something about it before he leaves for Washington.

As a result of the continuing grain inspectors strike, orders for grain and stock and poultry feed placed by feeders in our section of Ontario through the Prescott elevator are now going unfilled or partly filled or interrupted. Because of the adverse effect of this situation, will the Prime Minister please press for an early resumption of the movement of grain?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this is a repetition of the representation made earlier this afternoon. The House is aware that meetings were going on this morning and that we hope for a very quick settlement of this strike. We will certainly have to inform the House of whatever new developments there may be during the day by tomorrow.

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EXTERNAL AFFAIRS

MEETING OF PRIME MINISTER WITH PRESIDENT FORD—REQUEST FOR REPRESENTATIONS TO HALT GARRISON DIVERSION PROJECT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Prime Minister. When he visits Washington, will he make the strongest possible representation to President Ford to call a halt to all construction of the Garrison Diversion unit project in North Dakota because of the serious pollution and massive flooding problem it will generate in Manitoba?

Right Hon. P. E. Trudeau (Prime Minister): I will certainly take note of the representation. It is something in which the federal government is very interested of course. As the hon. member for Prince Edward-Hastings reminded us, the meeting will not be a very long one and I cannot guarantee that I will be raising every subject which is of interest to Canada and to hon. members.

Mr. McKenzie: Perhaps the Secretary of State for External Affairs might have more time in Washington. In view of the serious shortage of water in the United States, will the Prime Minister or the minister impress upon President Ford that it would be only logical to divert water from the Garrison project for use within their own country?

MEETING OF PRIME MINISTER WITH PRESIDENT FORD—REQUEST FOR STATEMENT OF SUBJECTS TO BE DISCUSSED AND REPORT TO HOUSE

Mr. Eldon M. Woolliams (Calgary North): I should like to ask the Prime Minister a question in reference to his visit with President Ford tomorrow. I wonder if at this time he is able to tell us the priorities that he will be outlining and discussing with the president in the short time he has. I am thinking of the security of supply of energy and the automobile pact. Has there been a priority set for this interview which is so important at this time for the economic life of both nations?

Right Hon. P. E. Trudeau (Prime Minister): Oh, yes, Mr. Speaker.

Mr. Woolliams: I wonder if the Prime Minister would tell us what those priorities are. If he is not able to tell us now, will he be making a full report when he returns from Washington?

Mr. Trudeau: Oh no, Mr. Speaker.

Mr. Woolliams: I will ask this then: is this meeting with the president so confidential that the Prime Minister cannot tell the Canadian people and the House what the priorities are or report on the discussion when he returns to Canada? Is it a confidential meeting?

Mr. Trudeau: It is a private meeting so far as our side is concerned, but the policies which will be discussed are of interest to Canadians and to the House of Commons and I will be prepared to answer questions or make a statement.

Mr. Woolliams: You said you would not.

Mr. Trudeau: You mentioned Washington, not Ottawa.

MEETING OF PRIME MINISTER WITH PRESIDENT FORD—REQUEST THAT JOINT APPEAL BE MADE TO RUSSIAN AUTHORITIES FOR MORE HUMANE TREATMENT OF VALENTYN MOROZ

Mr. Don Mazankowski (Vegreville): My question is for the Prime Minister. In view of the recent open appeal made by the wife of Valentyn Moroz to all good and compassionate people, which included the Prime Minister and President Ford, may I ask the Prime Minister if he is aware of such a letter, and further, whether he will use the occasion of his visit tomorrow to ask President Ford to join him in taking joint action to appeal to the Soviet authorities for a more humane treatment of Mr. Moroz, and in particular to urge the Soviet authorities to remove Mr. Moroz immediately to hospital because of his deteriorating condition.

● (1500)

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I am aware of the letter to which the hon. member refers. As to whether the question will be raised, I can only give the same type of answer I gave to an earlier question: there are many matters to be raised and I cannot guarantee that they will all be raised.

Mr. Mazankowski: A supplementary question, Mr. Speaker. In view of the fact that December 10 has been designated as International Human Rights Day does the Prime Minister not feel it appropriate to renew his efforts on behalf of Mr. Moroz? Does he not consider the evidence of Mrs. Moroz as substantive proof that the health of Mr. Moroz is deteriorating and death is near unless medical treatment can be provided to him immediately?

Mr. Trudeau: Mr. Speaker, my information is that medical treatment is being provided and that Mr. Moroz is in hospital. This information was conveyed to the Secretary of State for External Affairs by the Soviet ambassador when our minister spoke about this matter to the ambassador a week or two ago.

Mr. Mazankowski: One further supplementary for clarification, Mr. Speaker. Could the Prime Minister indicate whether Mr. Moroz is in a hospital in prison or in a hospital outside the prison?

Mr. Trudeau: Mr. Speaker, we know it is a hospital but we do not know if it is in or out of prison. I suppose that as in Canada they have hospitals in prisons and outside.

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FOREIGN INVESTMENT

SUGGESTED LOOPHOLE IN LEGISLATIVE PROVISIONS CONCERNING TAKEOVERS—GOVERNMENT POSITION

Mr. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Is the minister aware of the announcement by Bevis Corporation Limited, a British controlled company, that it has discovered a loophole in the Foreign Investments Review Act permitting it to avoid approval of takeovers and if he is, does he propose to take any steps to block this loophole?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I have seen a reference in the *Globe and Mail*. The transfer of voting rights by non-Canadians without the corresponding transfer of equity ownership is not by itself sufficient to change ultimate control of the corporation. This is patently so where those voting rights will revert to non-Canadians some time in the future.

* * *

HEALTH

PROPOSED FUNDING OF EDUCATIONAL PROGRAM FOR NATIVES ON USE OF ALCOHOL—GOVERNMENT POSITION

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I address this question to the Minister of National Health and Welfare. In view of the recommendations resulting from a series of workshops held in the western Arctic a few months ago sponsored jointly by the Northwest Territories government and the Indian Brotherhood of the Northwest Territories on the subject of alcohol problems in the north, does the minister intend to initiate any programs in the near future to increase the funding avail-

able for alcohol education in the Northwest Territories and to set up community rehabilitation centres staffed by northerners?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as the hon. member knows my department is providing some funds at the present time, particularly with respect to the problem of alcoholism among natives. I am currently reviewing our program in this respect but I am not in a position to make an announcement at the present time. We are examining the matter, however.

Mr. Firth: Mr. Speaker, a supplementary. Has the minister undertaken any studies recently on the effectiveness of alcohol education and rehabilitation programs in the Northwest Territories?

Mr. Lalonde: Mr. Speaker, I know of no specific survey or review in the sense of a scientific review of the programs currently being operated in the north. One thing is sure, however, we are not satisfied with what is taking place at the present time and should like to improve on it.

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AGRICULTURE

BEEF—REQUEST FOR STATEMENT ON NUMBER OF GRADES AND GRADING PRACTICES OF PROCESSING PLANTS

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, I have a short question for the Minister of Agriculture. Would the minister inform the House how many grades there are in the beef grading system in Canada and whether processing plants are allowed to pay for cattle using their own grading standards?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the hon. member knows how many grading systems there are in Canada. To give a detailed explanation of how the grading systems work would take up too much of the question period, but I could send him a breakdown of the information. We have one of the most advanced grading systems in the world, I can tell him that.

An hon. Member: How many?

Mr. Hurlburt: Mr. Speaker, a short supplementary. Would the minister—

Mr. Speaker: Order, please. I confess I have some reservations about whether the answer to the hon. member's first question could not have been more properly sought through other means. Perhaps the hon. member can clarify that through a supplementary.

Mr. Hurlburt: Fine, Mr. Speaker; I will forget my supplementary.

[Mr. Firth.]

AIRPORTS

VANCOUVER INTERNATIONAL—PROPOSED REPLACEMENT OF PARKING GARAGE WITH OPEN PARKING LOT

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, may I put a question to the Minister of Transport? Is the minister aware of plans to close permanently the parking garage at Vancouver International Airport and to replace the parking space lost with an open parking lot in spite of an offer from the parking operators to replace the lost space with a new double deck garage? Will the minister investigate the situation in order to avoid the necessity of a shuttle bus service and other inconveniences that would be suffered by travellers?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am not aware of this project that they may have but I am going to investigate.

An hon. Member: What are you aware of?

Mr. Marchand (Langelier): Mr. Speaker, there are about 2,000 airports in Canada, so I do not know everything that is going on at each one. I will get the information and give it to the hon. member.

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

Mr. Bawden: Mr. Speaker, I had a question for the Prime Minister but I see he has gone.

An hon. Member: He is out looking for the airports, too.

Mr. Speaker: The hon. member for Kingston and the Islands.

Miss MacDonald (Kingston and the Islands): My question was also for the Prime Minister, Mr. Speaker.

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INDIAN AFFAIRS

PROPOSED MEETING OF MINISTER WITH TREATY SEVEN CHIEFS AND URBAN TREATY ALLIANCE—GOVERNMENT POSITION

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. I should like to begin by welcoming him back to a friendly audience after meeting with the Liberals in Alberta.

Some hon. Members: Hear, hear!

Mr. Clark (Rocky Mountain): My question concerns a group the minister did not meet there, the Treaty Seven Indians, whose grievances concerning the Department of Indian Affairs and Northern Development led them to occupy departmental offices. I should like to know from the minister whether he would now give an undertaking to meet both the chiefs of Treaty Seven and representatives of the Urban Treaty Alliance to discuss their grievances and to meet them in Alberta rather than Ottawa?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, first of all I should

like to correct the mistaken impression left by the hon. member. I found the Liberals of Alberta very warm and cordial.

Mr. Baker (Grenville-Carleton): All three of them?

Some hon. Members: Oh, oh!

Mr. Buchanan: Mr. Speaker, I had sent a telegram to the chiefs of Treaty Seven indicating that I would be happy to meet with them and suggested it would be preferable that we meet in Ottawa.

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[*Translation*]

SOCIAL SECURITY

POSSIBILITY OF GRANTING OLD AGE PENSION TO SPOUSE OF RECIPIENT OF PENSION

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like to put a question to the Minister of National Health and Welfare. As he is absent I will put it to his parliamentary secretary.

Could he tell the House when he will be able to announce that a husband or a wife will receive a pension similar to that of his or her spouse?

Mr. Speaker: The hon. member for Coast Chilcotin—

Mr. Allard: Mr. Speaker, I repeat my question because I notice that the minister has returned.

Could the minister tell the House when the government will be in a position to grant the old age pension to the pensioner's spouse?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, this question has already been replied to. It will be done in October 1975.

* * *

[*English*]

BUSINESS OF THE HOUSE

DATE WHEN REDISTRIBUTION LEGISLATION WILL AGAIN BE DEBATED

Mr. Jack Pearsall (Coast Chilcotin): Mr. Speaker, I have a question for the President of the Privy Council. In view of the filibuster on the redistribution bill last night, can the minister indicate when that bill will be brought forward again?

Hon. Mitchell Sharp (President of Privy Council): As soon as I have some indication that progress is desired on the other side, Mr. Speaker.

GRAIN

EFFECT OF GRAIN INSPECTOR'S STRIKE ON CANADA'S REPUTATION AS GRAIN SUPPLIER—GOVERNMENT ACTION

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is for the minister in charge of the Canadian Wheat Board. The most recent stoppage of grain movements caused by the unfortunate circumstances of the grain handlers' strike in Vancouver, has cast shadows of doubt on Canada's international reputation as a grain supplier and also has given rise to uncertainties concerning future foreign commitments. Does the minister not consider that a second stoppage within two months will further damage Canada's reputation, especially in view of the widely publicized world food crisis. If so, what does the government intend to do about it?

● (1510)

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we are always concerned about the problem of delivering grain on time. At present, negotiations are continuing in an effort to deal with the dispute in progress. In a number of areas within the grain handling system, either in the private area or in the area under government management, employees have the right to strike as part of the process. Where bargaining fails and where, as in this case, employees do not want to accept the recommendations even of the majority report, that right is available to them under the law. That brings certain consequences for the grain industry and, in certain cases, for other individuals. Nobody can put forward easy alternatives for dealing with labour difficulties when the collective bargaining process does not achieve agreement.

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AGRICULTURE

BEEF CATTLE—REQUEST FOR STATEMENT ON GOVERNMENT MEASURES TO AID PRODUCERS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is for the Minister of Agriculture. When, if ever, will the minister make a statement, in accordance with the request of the prairie ministers of agriculture, about the problems cattlemen are facing? Will he make it before cattlemen unload their cattle even at today's depressed prices or does he intend to sit this one out like an old maid at a ball?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I did not hear the last part of the hon. member's question, although I think I know what he said. I am certainly aware of the different provincial programs which are in effect. We had a meeting with the prairie ministers of agriculture a week ago yesterday and discussed with them what we ought to be doing. We met with the NFU and talked with the CFA about what we ought to be doing, and I hope we will come up with a good program for the producers concerned.

Mr. Korchinski: A supplementary question, Mr. Speaker. What plans has the minister to save the land which was seeded to grass at an expense of some $40 million two or

three years ago at the instigation of the minister responsible for the Wheat Board, and what plans has he to prevent that land from being used again for the growing of crops.

Mr. Speaker: Order, please.

* * *

FINANCE

SUGGESTED RELIEF FOR THOSE WHO HAVE PAID TAX ON BUILDING MATERIALS—GOVERNMENT POSITION

Mr. John Wise (Elgin): Mr. Speaker, may I direct my question to the Minister of Finance. As the minister, fortunately, has now seen fit to provide relief from federal sales tax for taxpaid inventories of trucks and other transportation equipment, will he inform the House whether he intends to take the same action and provide relief for those who have paid sales tax on building materials.

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker. I refer the hon. member to the special circumstances mentioned in my reply yesterday to the hon. member for Red Deer and elaborated in the press release that was issued following my answer in the House.

* * *

IMMIGRATION

SUGGESTED INCENTIVES TO IMMIGRANTS TO GO TO ALBERTA IN VIEW OF LABOUR SHORTAGE—MINISTER'S POSITION

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. As it is the department's policy to provide incentives for Francophone people to immigrate to Quebec, an area of high unemployment, is there not some special incentive applicable to the province of Alberta, where the unemployment rate at present is less than 2 per cent and where a serious labour shortage exists at present.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, there are no special incentives for people to immigrate to Quebec, at least so far as the federal government is involved. As I explained to the House, we are working in co-operation with officials and departments of the government of Quebec to establish offices abroad. As for the recruitment of required workers to Alberta, I have discussed this thoroughly with Dr. Hohol, my counterpart in the government of Alberta and with people in industry in that province provided they are prepared to first try to recruit Canadians from Alberta and the western regions and nationally to Alberta and failing success, we will help them recruit from abroad. If they satisfy those certain conditions, including, where practical, willingness to train Canadians first, without success, we will certainly consider getting workers from abroad.

[Mr. Korchinski.]

INDUSTRY

STEEL—SUGGESTED INQUIRY INTO PRACTICE OF PRICE LEADERSHIP

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the fact that Judge Estey in his inquiry on steel profits was not permitted to examine the implications of the oligopolistic practice of price leadership by the Big Three, and since Judge Estey concludes, "This is a matter . . . of such complexity and importance to the industry and commerce of Canada generally as to require its own separate study . . . ", will the minister now establish such an inquiry into price leadership?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, as I have indicated previously, Judge Estey's report is comprehensive. It speaks for itself and stands on its own.

STEEL—REASON FOR ACCEPTANCE BY JUDGE ESTEY OF LIFO SYSTEM OF ACCOUNTING

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, the minister has not answered my question about price leadership. May I ask another pertinent question. Can the minister explain why Judge Estey accepts the steel companies' inflation accounting system of LIFO, last in first out, in computing costs, whereas the Department of National Revenue and the Canadian Institute of Chartered Accountants have ruled that LIFO is not a proper accounting method?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think that the report speaks for itself and stands on its own. I think Judge Estey clearly examined various accounting principles. He sought the best advice available and he put forward his views in the report.

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[*Translation*]

AGRICULTURE

FEED GRAIN—REQUEST IF SUPPLIES ARE ADEQUATE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, the Minister of Justice being absent, I shall direct my question to the Minister of Agriculture.

In view of the reply the minister made yesterday that there is not enough feed grain in eastern Canada, due to the grain inspectors' strike, can he assure the House that domestic needs will be given priority, and that steps will be taken to prevent current grain stocks in eastern terminals from being exported, as long as the present situation has not been remedied?

Mr. Speaker: I must regretfully advise the hon. member that this is the third time this question has been asked today during the oral question period, and in exactly the same terms.

Mr. Lambert (Bellechasse): Mr. Speaker, I rise on a point of order. I have only one question today. It relates to—

An hon. Member: Order.

Mr. Lambert (Bellechasse): Mr. Speaker, could we have silence in this House? My colleagues on your right are charitable people, but they sometimes take the liberty of disturbing hon. members who ask serious questions, as I am doing now, and I do not like this. I respect other hon. members, so they should respect me in return.

Some hon. Members: Agreed.

Mr. Lambert (Bellechasse): Then, my point of order is as follows: since the question I asked the minister deals with the fact that indeed there are problems—I do not blame anyone for that, but there are problems—with the feed grains which are now stored in the east, and since it is impossible to ship them in sufficient quantities, I ask the minister whether he can assure the House that these feed grains will meet domestic needs before being exported to outside markets.

Mr. Speaker: I regret, but I still insist that this question is identical to the one asked by another hon. member at the beginning of the oral question period.

Mr. Lambert (Bellechasse): What was the answer?

[*English*]

Mr. Speaker: Earlier in the question period the hon. member for St. John's West directed a question to the Minister of Fisheries. The minister undertook to answer as soon as possible. I have received an indication that the minister is now prepared to answer that question, and his answer will probably bring the question period to a close.

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FISHERIES

INVESTIGATION OF ICNAF QUOTA VIOLATIONS—GOVERNMENT ACTION

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, in answering the question of the hon. member for St. John's West, may I inform the House that five boardings of Russian fishing vessels have taken place by fisheries officers travelling on the *Annapolis* acting as a designated ship in the last two or three days. No violations were found and the ship is now moving off Cape Freels, where there is a heavy concentration of fishing vessels, to continue inspection and boardings.

● (1520)

ALLEGED VIOLATIONS OF ICNAF QUOTAS BY BRITISH FISHING VESSELS—GOVERNMENT ACTION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a supplementary question for the Minister of State (Fisheries) on that particular point. According to the International Commission for the North Atlantic Fisheries, ICNAF, fishermen operating on Brown's and Georges Banks have a zero quota on an endangered species, haddock. However, the crew of the American coastguard cutter *Vigorous* recently boarded six British stern trawlers, namely the *Marbella*, the *Seafridge-Skua*, the *Farnella*, the *Coriolanus*, the *Northbella* and the *Southbella*, and found all of them having catches vastly in excess of the amount permitted. In fact, one had 130 tons of haddock out of a total of 135 tons. Has the minister or any official of his department made representations to the British government to see if they intend to continue violating ICNAF regulations?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I will undertake to look into this matter and hopefully have an answer for tomorrow's question period. I do not question the hon. member's word, but if the allegations are correct, this is a matter which we would find intolerable.

SUGGESTED PAYMENT BY DEPARTMENT FOR USE OF NAVAL VESSELS AS PATROL SHIPS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I will make my question to the Minister of State (Fisheries) in the form of a supplication or request. In this most worthwhile and useful exercise of utilizing vessels of the Canadian armed forces, will the minister's department undertake to pay the underpaid and under-funded Canadian armed forces, particularly maritime command, for the fuel they use so we can get on with some training from time to time?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, that is a most valid suggestion. I hope the hon. member will support me when I go to treasury board for supplementary estimates.

Mr. Speaker: Orders of the day.

Mr. Jelinek: Mr. Speaker, I hesitate to rise on a point of order or question of privilege, but I do so because there is some immediacy and urgency involved. If I did not raise this matter, it could result in a meat shortage in retail outlets in the Toronto and Hamilton areas. Because of a back-up in the deliveries of meat products from packing plants and food terminals in the Toronto and Hamilton areas that is being caused as a result of federally employed meat inspectors walking off their jobs yesterday, and as of an hour and a half ago were still not back to work, I wish to bring this to the attention of the President of the Treasury Board. Can the minister assure the House he will take immediate steps to terminate this illegal walk-out before it becomes an illegal strike? Canadians are getting fed up with the fact that illegal strikes are being taken for granted by this government.

Mr. Speaker: Order, please.

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I agree with the hon. member when he says that meat inspectors do not have the right to strike and that immediate action should be taken to make them understand the situation and penalize them if necessary. Some civil servants have the right to strike, but as regards those designated employees who must stay on the job to

protect public security, I believe it is most important that they obey a law voted by Parliament.

● (1530)

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—GOVERNMENT'S NEGLECTED TO PAY OLD AGE PENSION TO PERSONS AGED 60 AND THEIR SPOUSE

Mr. Gérard Laprise (Abitibi) moved:

That this House regrets that the Government neglected to make all those who reached the age of 60, as well as their spouses although such spouses may not have reached pensionable age, eligible for the Old Age Pension.

He said: Mr. Speaker, the motion I am moving in the name of my colleagues of the Social Credit Party of Canada stems from the numerous letters and communications we receive from our constituents, claiming that pensionable age be possible at 60, with an appropriate pension, and that the spouse of a person eligible for old age pension be equally eligible for that pension, as I have been requesting in this House since 1966.

I can hardly believe, Mr. Speaker, that we on this side of the House are the only members receiving such requests from the voters we represent, and I am certain that other members receive the same. Yet, the government is in no hurry to answer the requests of these people. The leader of the liberal party of Canada did promise during the last election campaign that the wife whose husband has reached 65 would be entitled to the old age pension. But we are still far from allowing early retirement at a reasonable age in our modern times when the production of goods and services is increasingly easy.

As soon as the leader of the liberal party resumed his office of Prime Minister, he made a step backwards and we heard in the speech from the Throne that the wife or the spouse will have to wait until October of 1975 at least to see that promise carried out. And yet while he was in Trois-Rivières, the leader of the liberal party promised that the 60 to 65 year-old wife would receive a pension as soon as the liberal party was reelected. At that time, there is no doubt that many women of that age believed that promise and decided to vote for the Liberals. I would not be surprised that many of them kissed him for that promise. However, they will have to wait for a year and a half after the federal election to see that promise fulfilled. That is the reason why we are blaming the government for not having taken at the beginning of this session the necessary action for the enacting of such legislation and for this government to acknowledge the services those people rendered their country.

With the developments in all types of industries, it seems to me that 42 years of assiduous work are enough to have done one's duty towards society.

The figures of Statistics Canada show that in 1972 the life expectancy was 69.3 years for men and 76.3 years for women. Under the present Old Age Security Act, this means that a woman has a life expectancy of only 11 years when she reaches retirement age. As for men, they have a life expectancy of only four years when they reach retirement age.

After working hard for more than forty years, men and women should be able to do what they like in complete financial security.

Lowering the eligibility age to 60 for those who wish it would not mean that these people would have to remain inactive. They will be able to render many other services to their country and to their community without being forced to do so. They would be happier.

It is not the first time that we request this in the House. We have done so several times before, and I realize that we are getting more and more support, especially from this side of the House, and that a few government members agree with me but do not dare say so. They say that because of party policy, of government solidarity, the part does not want this change. We shall probably hear the same old objections: "It would cost too much money." Of course, if we think only in terms of dollars or of the taxation capacity, we may be reluctant to accept this proposal but we should see the facts as they really are.

If people aged 60 to 65 agreed to retire at 60, would this weaken the national production rate in Canada? Do we not have a whole army of young people with a college or university education who are waiting only for an employment offer to put their talents to use, to earn their living honourably and to give their services to their country to develop it and serve it? Did we not penalize farmers because they were producing too much?

There has been of late much publicity about the food destroyed. No way could be found sell them, let alone eat them. Industry is slowing down almost everywhere, if not at a standstill, so it is unthinkable not to allow people, men and women, to retire at age 60.

Only yesterday a 65-year-old man told me that because of ill health he had to cease working at 60. Great numbers of people are also worn out or ill well before the present retirement age.

I put this motion forward because I believe the Canadian government can lower retirement age to 60 without upsetting anything.

I am also seeking that old age security pension be paid to the pensioner's spouse as soon as the former reaches retirement age. This is also very important and should be considered now by the government.

Madam Speaker, I have been regularly putting forward a motion of this kind since 1966, the first member I believe to do so. Opposition members supported me, Liberal members spoke against it. But older people, and even the young I meet, all favour such an amendment to the Old Age Security Act. It is at their request that I have caused this motion to appear under my name on the order paper.

When only one of the spouses receives the old age security pension, the income of the couple becomes insufficient and the wife must, most of the times, resort to welfare. In Quebec, I assure you, Madam Speaker, that it is often disheartening for these people to appeal to officials for their living.

An hon. Member: It is a disgrace!

Mr. Laprise: Those officials, on the orders of the provincial government dole out the allowances in driblets. We know that the federal government has geared old age security pensions to the cost of living. Now, I remember the case of a couple in my constituency; the husband is eligible for old age security pension. Recently, I have received a letter whose main point I would like to have entered into the record. It has been sent to me by a citizen of Taschereau, in my riding, and she acquaints me of the situation.

In October, she writes, my husband received $192.80 as an old age security allowance, plus $43.72 from the Quebec Pension Plan; I, his wife, have received $20 from the welfare, which makes a total amount of $256.52 for the month.

This month, that is in November, she says, in spite of their saying that my husband is going to receive much more, here are the facts: old age security pension, $199.10; QPP, $43.72; welfare, $13; that is to say 70c. less, because of the increase in the old age security allowance.

Then, on the whole, this couple has 70c. less than they received before the increase. Here is indeed a strange increase in income for the aged.

So for the months of October, November and December, this couple received a little less than before. To the government of Quebec, inflation is not a problem, but it is nevertheless true that this couple and many others in the same situation are hit very hard, even harder than those with higher incomes.

The National Council of Welfare, in its report on the situation of the low income consumer on the Canadian market, published in April 1974, explained how families with low incomes have to spend more for food, for example, than families with incomes superior to the average.

We are given the example of a family whose annual income is $3,000 or less and 27.9 per cent of this must be spent on food while a family whose income is $15,000 or more only spends 13.4 per cent. The same goes for housing, clothing and all of life's necessities.

Statistics Canada tell us that the price index went from 100 in 1961 to 188.4 in June 1974 for food; 165.5 for housing; 152.0 for clothing; 169.3 for personal care and hygiene; 151.2 for public transport and 156.9 for recreation, training and reading. That goes to show that the galloping inflation we have known especially from 1968 to 1973 has become dizzying in 1973 and 1974 and we are now being told it will be a knockout in 1975 and it is a cause of concern and hardship for the families and old people in the low income bracket.

That is why the government must come to an agreement with the provincial governments so that this law can be modified to reflect the motion I have moved.

There is also another point on which I want to bring the attention of the government and my colleagues in this House, even though the motion does not deal with it, and it is the guaranteed minimum income supplement that goes with the old age security pension. The pension should be paid in full without any means test because otherwise, as is the case now, those who have a job—however temporary—are being penalized. Those who have a few savings or who paid into a retirement annuity in a private business are being penalized. Since 1966, a legislation forces them to do without part of their salary which is paid into a federal or provincial pension plan, and when they reach the age of retirement, they lose part of the guaranteed income supplement. That is an injustice for those who worked, who paid taxes, who managed to make good use of their savings. Those who did not work half the time, who "invested" their money in taverns, are entitled to everything. A system like that does not make sense.

Let us do away with the tests, let us all recognize that Canadians are entitled to their pensions as soon as they reach 60, and that both husband and wife are entitled to it. That is what we are asking for on behalf of Canadians, and to refuse it to them is not to believe in the wealth of this country, nor in the capacity of our young people to produce goods and services in large quantity as we have already done.

Madam Speaker, I ask the government and government members to consider that motion and respond to it in an objective and above all affirmative way. As I said at the outset, this is not the first time we make that request. I know we must hit the nail several times to get it in but the government must understand that the head of the nail is now at ground level and it is time to get it over with. I am sure my colleagues will put forward other arguments in support of that motion, and I hope that before this day is over the government will show flexibility, and that it will introduce before Christmas the necessary bill to meet the wishes of the Canadian people.

● (1540)

[*English*]

Mr. Heath Macquarrie (Hillsborough): Madam Speaker, the motion before us is a very appealing one and I congratulate its mover. Indeed, I congratulate the members of his group generally. I have noted that time after time they have brought forward measures which they consider in the interests of that very important part of the national constituency, the aged and the needy. I think it behooves us as serious legislators—I have said this many times in my public career—to take the attitude at all times that the government must exhibit the greatest care toward those who most need care.

I am not an advocate of the fiscal theories of the Social Credit group, and even if I understood them I do not think I would be, but I nevertheless commend them for being interested in and articulating on behalf of the poor and the elderly people of this country. It is we in this House who must speak for these constituents. We must vote for measures to help them and use the state to help ameliorate the ravages of raging inflation. As I say, I commend the mover of this motion. I have very much sympathy for the thrust of the motion. I think the day will come—and it will not be too far removed from today—when we will be looking at the age of 60 as we now look at the age of 65, and as we once looked at the age of 70, as the time when we put into operation what we now call, and what may some day be changed, our old age security system. I am not terribly old, though I may look it, but I well remember occasions when people have said, "You can't lower the retirement age from

70 to 65 because you will ruin the whole country. You have no idea how much it will cost".

Yet we have survived this de-escalation. The country still exists. It is not as healthy as it would be if we were well governed. But society has not been blown asunder. However, we must never forget that there is far too much poverty in this land. Just because we hear this said day in and day out is no reason for resting content. We are told that one in four Canadians lives on or below the poverty line—and I can assure hon. members it is not gracious living. I know that the Minister of Justice (Mr. Lang) was very callous and cool the other day when I referred to the message of the Minister of National Health and Welfare (Mr. Lalonde) to the old age pensioners, namely, that they save money by eating stale bread, peanut butter and skim milk powder. The Minister of Justice commented that bread one day old was not stale. "Don't be too fussy with our old people". I presume was his thought.

Mr. Lalonde: Some bread is old when you buy it.

Mr. Macquarrie: I am not going to say that I should have better than the elderly people of this country. If the minister is inviting me to say that, then he does not know me at all. I think the old people of this country should have a more gracious living and be removed from the anxieties that face them.

This is a very serious measure. However, we must be leery of simplistic solutions. We must also not overlook many other areas of need in our society. We must have compassion and concern for our older citizens but we must also always think of those who, for reasons other than age, may not be able to cope with or combat the difficulties of life. My colleague from Brandon-Souris (Mr. Dinsdale), who I hope will be speaking today, has given great leadership and study to the whole question of the place of the disabled in our society, and this must touch us all.

Then there are those who are unemployable for reasons other than age. For example, we have to think of the blind. I have always been appalled at the suggestion of a means test for one who is deprived of the precious gift of sight. Only recently, I must confess, did I learn how far we are behind, not just in this area of governmental concern but in many areas. We have not done nearly enough for our people who are deprived of hearing—another group deserving of great compassion. Then there are those who are recipients under private pension plans and who have seen their pensions shrinking in value in these inflationary times.

The problem of these people cannot easily be dealt with by changing the legislation for which the minister has responsibility; it is more difficult than that. But because it is more difficult and because it affects people in the private sector does not mean that the problem is not acute and sometimes overwhelming. I am told by people who themselves are in this situation that, while we have made some statutory improvements in the field of war veterans' allowance and other related areas, the single veteran is still finding it very hard to live in today's inflationary society. So I suggest there are many areas deserving of consideration.

We must also avoid any unwillingness to face the grimness of the reality. I was appalled when I read a report of

the Senate committee on agriculture a few days ago. A very reputable and intelligent person, with good research facilities behind the organization that she represented—the Consumers' Association of Canada—was asked about the use of pet foods for human consumption. She was asked by a very distinguished and compassionate lady senator from my province whether this practice was extensive, and Mrs. Brenchin replied, as reported at page 8 of the report for Thursday, November 14 last:

> Yes, there are numerous well documented cases now, especially concerning the beef chunks, horsemeat and other unmixed canned foods, being used for human consumption. We feel very strongly about this.

And, God help us, so should we all feel very strongly about that situation. Certainly there is a challenge here. I shall always remember the old gentleman in the senior citizens' home who was asked how he coped: he said he bought three pounds of barbecued chicken wings because it was the cheapest food he could find, and he described how many meals he had out of that. Here we have a poor old chap who has worked for many years ending up with chicken wings and loneliness in a senior citizens' home.

Another question that we cannot discuss fully in 20 minutes, or indeed in twice 20 minutes, is what we intend doing about this important balance between state compassion and individual initiative. People today say that the work ethic is passé, that we have encouraged ourselves and our children, in a labour-saving society, to worship the most up to date labour saving devices and then pretend to be surprised when the younger generation is not keen to work.

● (1550)

I think we are less than serious and less than profound if we are not concerned about those things which could diminish individual effort in a group society. It is easy to say that the work ethic is dead and these old Presbyterians and Calvinists are really not "with it". However, I look at some of the countries of the world which compete with us and trim the socks off us in most economic things, such as Japan and West Germany, and I find that the work ethic is not dead. So I am troubled when we have a situation where a man earns more through state aid than he earns through wages.

In saying this I do not attack the state mechanism. I am worried about the economic institution not paying a man enough for the application of his energy, his time, his strength, his intellect or, to use a terribly old-fashioned word, the sweat of his brow. But while we must be compassionate, while we must be sensitive, and while we must be serious and try to be wise, one thing that has always troubled me in respect of these fields in which we are sensitive is that it is very easy to embrace every concept of change. In respect of those about whom we feel sensitive, perhaps we forget, if the time ever comes to translate that feeling into reality, that we might find things rather difficult.

There is one part of this motion which troubles me. It has no personal application, because I am not arranging a second marriage. If the spouse of an old age pensioner is to be regarded also as a recipient, and the age of that person is not considered, I think we could be accused of being a

little reckless. If in ten years time, when I would be 65, I were able to convince a 19-year old girl to run the risk of living with me, she would become an old age security recipient for goodness knows how long. She might earn her living if she were living with me. However, I think we must be realistic. My colleague wonders whether I am bragging or complaining, and I will not tell him which it is.

When my party was appealing for public support we said honestly and squarely what we would do. We gave the age of 55. I think the government's announced age—and I wish it would bring in the legislation—of 60 is less realistic than ours. Since the government took the idea from us, I think it should take over the age that we proposed and we would support it. But I cannot honestly go so far as saying that age is immaterial. I know that the motto *amor vincit omnia* really still prevails, but I do not think we could seriously legislate that age does not matter.

There are two other aspects of this matter with which I should like to deal before I sit down. I know the minister is aware of this as we on this side of the House are aware of it. When we look into the area of considering the spouse who is not of qualified age we immediately have many thoughtful Canadians who ask—and they are right—is it not more likely that the widowed person will be in far greater need than the one who still has a spouse? So when you take that first step—and it is a good one and I am with the members of the Social Credit Party although I think the age figure is too low—then you are open to even greater sensitivity about the people who have been widowed.

One woman wrote to me and said, "I am 63 and my husband is 69. When the government puts the bill through, if I lose my husband in a year's time, what happens? Am I taken off the rolls just when I need help more?" That is another thing we must look at. What do we do about the spouse under 65 who qualifies through marriage—marriage is a partnership and a lot of other things—and what happens when someone is widowed and is still too young to qualify for OAS? I find, as I am sure the minister and the mover of this motion find, that this general question opens many avenues down which we must move with great care.

I do not wish to take all the time available to me, but I reiterate my commendation of the mover of this motion. I express to him my general sympathy for it. However, I have tried to underline with a little realism some of the economic responsibilities this expression of compassion would entail. But I congratulate him for drawing our attention to just the kind of problem that serious legislators should never lose sight of.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I join the hon. member for Hillsborough (Mr. Macquarrie) in commending the hon. member for Abitibi (Mr. Laprise) and his party on the subject they have placed before the House of Commons on this allotted day. Any motion dealing with pensioners and calling for an improvement in the position of pensioners has my immediate support, even though I might want to change some of the details in a motion such as the one placed before us. The hon. member for Abitibi was quite correct—I can certainly confirm it—that one of the ways to win improvements for old age pensioners is to keep at the issue day in and day out, week in and week out, year in and year out and decade in and decade out. The encouraging thing is that by keeping at it we do make considerable progress.

I agree with the previous speaker that there are other issues that are of concern in the social security field. The hon. member mentioned several groups, such as the disabled and the blind. He mentioned persons on private pensions, and I would add those on government annuities, and so on. One must also think of those who are in that grey area where they are employed and therefore cannot qualify for social assistance but are not earning enough to have a decent standard of living. We sometimes refer to them as the working poor. It certainly is a fact that the area of social security is an important one in which, even with all that we have done, there is a great deal yet to do. Yet it seems to me it is no excuse for not doing something about old age pensions at age 60 to say that there are other things that should be done which the government is not doing anyway.

Therefore, I welcome this motion with its particular emphasis. I confess that in my view there is a bit of confusion in the motion and a bit of confusion in the mind of the hon. member for Abitibi as to whether what is being pressed is a program for pensions at 60 or a program under which the spouse will receive the pension no matter what the age of the spouse, provided the other spouse qualifies for the pension. In my view, the best way to deal with the matter of providing an income for the younger spouse of a pensioner is to lower the pension age.

● (1600)

As the hon. member for Hillsborough pointed out, if and when the government brings in its bill on pensions for spouses between the ages of 60 and 65, provided the other spouse is over 65, we will immediately be deluged with letters from widows, spinsters, widowers and bachelors in that same age bracket who will ask, "If it is possible to provide old age pensions to some people who are between 60 and 65, why not to the rest of us?" I urge that the way some of us have been proposing for a long time is really the way to cope with this problem. In fact, I have it on the order paper in my private member's motion No. 39 which calls for the eligible age under both the Old Age Security Act and the Canada Pension Plan to be lowered to 60, with the proviso that between 60 and 65 pensions under those two pieces of legislation should be paid only to those who are out of the labour market. That would include, in most cases, spouses who are younger than the person who is already on the pension and all wives between 60 and 65 who are not in the labour market. It seems to me that this is a better way to do it, because at the same time you are making it possible for widows, spinsters, widowers and bachelors in that age bracket to get the pension if, as I say, they are out of the labour market.

That is why I welcome the motion this afternoon. Its terms are broad enough to allow us to talk about any aspect of social security or pension policy. Indeed, the Minister of National Health and Welfare (Mr. Lalonde) can tell us about his orange paper and about the discussions he is having with the provinces. The field is as wide as you can possibly imagine. But no matter how wide the

field is, there are times when one should concentrate on a particular point or two. In my view, what is now urgent in the pension field is that we concentrate on two things: one is to get the voluntary pension age down to 60, and the other is to get the basic amount paid under the Old Age Security Act up to $200 a month without a means test of any kind.

With regard to the lowering of the pension age to 60, as I have already said, my view is that the time has not yet come to make it universal at 60 the way it is now at 65, but I insist that the time has come when the pension should be available at 60 to those who are off the labour market. That would include persons like wives, for example, who have not been in the labour market. It would also include those who are working but are prepared to retire.

Mr. Lalonde: All wives?

Mr. Knowles (Winnipeg North Centre): All wives who are out of the labour market and all husbands out of the labour market, too. I was not indulging in any discrimination when I referred to wives rather than spouses in that context. I was talking about wives who are not in the labour market, and in my view they would be covered by the kind of definition that I suggest. I have no idea how many persons would drop out of the labour market in that age bracket, but I expect it would be several hundred thousand and that this would have an immediate effect on the unemployment situation by opening up a great many jobs for younger persons.

But I am concerned not only for the spouses, the persons who are at home and who are out of the labour market, but about a large number of individuals, working men and women. However, I refer more to working men, for a reason I shall give in a moment, who find the rat race of modern industrial activity a little hard to take over an extended period of time. We had a discussion a few days ago on a bill having to do with the fighting of elections and I had occasion to refer to my favourite method of campaigning at election time, which is to turn up early at shop gates and plant gates in the whole area of greater Winnipeg and to meet a great many working men and women as they are going into those plants.

In the last election, as in the previous ones, the question that was put to me most often, especially by the men who were going into the CPR shops, the CNR shops, Dominion Bridge, Manitoba Bridge, packing plants and so on, was, "When are you going to get the pension age down to 60?" Some of the men who put that question to me appeared, in the grey light of the early morning, older than I am—and around here I am supposed to look old. Some of these men who are asking me for the pensionable age to be lowered to 60 appeared to me to be 63 or 65 already, and in instance after instance I had these men say to me, "I am 57" or "I am 58." The fact is that the rat race of that kind of life is just too hard and I think that they have the right, having gone to work at the age of 25 or even younger or later than that, by the time they are 60, if they want to leave that kind of activity and enjoy the benefits of our social legislation, including in particular old age security and the Canada Pension Plan, to do so.

I know all the arguments that the Minister of National Health and Welfare has. If he has any new ones, I will be delighted to hear them. But he talks about other needs that must be met and the things that he is working on under the aegis of his orange paper, which is a good paper that I like very much. He may even throw at me the question, "What about millionaires between the age of 60 and 65 who are out of the labour market?" There are so few of them that they do not worry me very much. The Minister of Finance (Mr. Turner) could take care of them. I doubt that the Minister of National Health and Welfare will throw that argument at me today after what the Minister of Finance did in his budget. He did not show greater concern for pensioners who are at the lower end of the scale. He showed greater concern for the wealthy. He provided an improvement for the 30 per cent or 40 per cent of pensioners at the top, but he provided nothing for the 55 per cent, 60 per cent or 65 per cent of pensioners at the bottom of the pension income scale.

I say to the minister that it is time for him to get off this kick that there is something wrong with my head-on program for pensions at 60. He should become more aware of the experience in this modern industrial society and realize that this is one of the campaigns that he should be on as well. The campaign to get the pension age down to 60, not on a means test basis or welfare basis but on a voluntary basis. Let those who want to keep on working—some of us may want to go on for a long time—do so, but let those who feel they have had all they can take, or those who are in need, have the opportunity, without any means test, meeting only the test of being out of the labour market, to get their full Canada Pension Plan and their full old age security pension at the age of 60.

Because this motion today gives those of us who feel this way the opportunity to press this point, I am very grateful to my friends in the Social Credit Party for having made it the subject of this allotted opposition day. One of the arguments that we get is that it cannot be done, that it would upset our economy, it would cost a great many dollars and, where is the money coming from? Well, I have not been here through the whole history of pensions, but I was reading and following what was going on back in the middle 1920s and I have been here for most of the changes that have taken place. I simply have to say that that has been the argument every time. When J. S. Woodsworth stood in this House and called for a pension of $20 a month payable at age 70, he was told by the minister of finance of that day that the country could not afford it. When it got over to the other place, they used the argument that it would bankrupt the country to pay $20 pensions to our old people. They said it would not be good for older people to have this kind of hand-out from the state.

● (1610)

Mr. Speaker, we got the pension started in the middle twenties. In January, 1927, It became effective at $20 a month at age 70, with a severe means test. When I came here in the early forties it was still that pension. I can remember that when I was arguing that it should be raised from $20 to $30 and the age brought down to 65, with the means test removed, I was told by the older men of that day that I had some good ideas but it could not be done. Well, Mr. Speaker, we have succeeded in getting the pension raised from $20 a month to almost $120 as a basic

pension, without a test of any kind, and we have had the age reduced to 65. That is one of the most recent instances of something being done that they said could not be done. The day finally came when Mr. Pearson and his government realized they could reduce the age a year at a time from 70 to 65.

More recently we were told that we could not escalate the old age pension by more than 2 per cent per year. During the days of the minority government, however, we got that 2 per cent ceiling removed and pensions now escalate according to the statistical increase in the cost of living. I shall have something to say—time does not permit me to go into it now—about the way it is always calculated behind the time when it is needed, and so on. The point I am making is that all the things we are now doing in terms of pensions are things we were told earlier could not be done. Let us not have any more of the suggestion that pensions cannot be lowered to age 60. Let us put it down to 64 now, 63 next year, and so on. Other improvements have been won, and this improvement can also be won. In my view, it is a matter of great urgency.

In a moment I shall indicate one of the reasons I am glad my friends put this subject down today. I would rather we had debated my motion, which I think is more comprehensive, but the luck of the draw was against me. I drew position No. 39 with my private member's motion, so the chances of its being reached are not good. I am therefore glad to have this debate today because we are a few months ahead of the day when the Minister of National Health and Welfare will bring in his bill on pensions for spouses where those spouses are between 60 and 65 and where the other spouse is a pensioner. It has the proviso, however, that the younger person is to get a pension only on the basis of an income test. I hope the minister will give me credit for the struggle to say "income test". As far as I am concerned, it is still a "means" test, but I know he is sensitive about the word.

The reason I am glad to have this debate today is that it gives us a chance to plead with the minister to go further with that bill. During the election campaign, when the Prime Minister (Mr. Trudeau) announced the program of pensions for spouses he said it would create problems. He referred to spinsters, widows and other persons and said it had to be a tentative program. I say to him that the government will have a great deal of trouble over a program as limited as the one that is proposed, and they should think about it now. The bill that has been promised for pensions only for spouses between 60 and 65, on an income test, should be transformed into a program that meets the needs of today. That is, Mr. Speaker, a program of pensions at 60 for those not in the labour market. This should apply both to old age security and the Canada Pension Plan, and the time for this is now.

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, today I speak on behalf of the government against the motion proposed by the hon. member for Abitibi (Mr. Laprise) who has advocated that the old age security pension be given to any person who has reached the age of 60, as well as to the spouse even if the spouse has not reached pensionable age. The question is not really as simple as the Crédit Social would like it to appear and it must be looked at from an altoghether different aspect than just lowering the age to 60 in order to obtain the old age security. We must ask the question, "How well can all the other needs and the needs of people who are not old be given the attention they deserve?" This question becomes important if we allow spending to increase income maintenance for the elderly only.

I should like to remind hon. members that the elderly are being well taken care of by the government. I will leave it to other speakers on behalf of the government to speak of the benefits available to the elderly. However, I would point out that government programs are already available for any person who becomes sick and is not able to work prior to age 65. Such persons would draw benefits under the Canada Pension Plan already in existence, benefits under the assistance available to veterans, or from the Canada Assistance Plan.

Mr. Speaker, this motion is asking the government to set a new age for retirement. Such a measure would entail a great deal of expenditure by the government, expenditure which is needed in other areas.

The question arises: Are we certain that this area requires new action right now by the government? Is it really our most pressing social problem? Because if implemented, it probably would absorb for some time to come a lot of the additional tax resources available to the government. The cost of such a proposal has been estimated at almost $1⅔ billion of net additional expenditure. Again, Mr. Speaker, one must look at the needs of all the Canadian people and at the government's responsibility to fulfil those needs. It is proper for the government to think in terms of those who are retired, and they have put forth some fine plans to appeal to that age group, such as New Horizons, the Canada Pension Plan and its recent amendments which come into effect January 1, 1975, as well as senior citizens' housing and homes for persons unable to take care of themselves. As well, there is the increase every three months in the OAS and the GIS.

But there are in our society many other people with needs which are attended to by the government of Canada. They must also be looked at in the perspective of benefits provided by the government in terms of the elderly. What are these needs? There are problems other than social security, such as pollution abatement, energy resource development, transportation and problems in our north, to mention a few, which are applicable across Canada. There are social problems apart from income security. They are mainly health care, housing, native development and day-care. These are just some of the areas to which the government must direct its attention and try to meet the needs that exist.

Also, there are the investment programs designed to give Canadians income security from their own employment. Such programs consist of economic development, manpower training and regional expansion programs of all varieties. These programs cry for greater attention, and should have the attention of the government in order that their greater development may come about because they benefit so many Canadians. Apart from considering where government money should be spent, we must remember that many people who are not old rely on the government for income support. These people include the disabled, the

physically or mentally handicapped, mothers on their own caring for children, veterans, and foster parents caring for unwanted children. All these people must be encompassed in a program which considers their needs. The question is, how do their needs stand in relation to the need to retire people at age 60, because many people 60 years old can and do earn an income?

● (1620)

Finally, there are also those whose unemployment insurance benefits are inadequate to meet their needs, and there are people in Canada who must be given a supplement of some type in order that they may maintain a minimum standard of earnings. The government has directed itself to the problem of these people and of others as evidenced in the review made in the orange paper, the Working Paper on Social Security tabled in the House in 1973 by the Minister of National Health and Welfare (Mr. Lalonde).

There are a number of questions which should be asked about the desirability of implementing this proposed program as opposed to making improvements to other government programs, for it is impossible to move in all fields simultaneously without bankrupting the Canadian public. Again, one must balance the question of providing earlier pensions against providing more adequately for the needs of non-senior citizens who are unable to support themselves, such as the physically handicapped, the mentally retarded, and one-spouse families. To demonstrate the existing disparity between the income support available to senior citizens and that available to people who are unable to work, it should be noted that in all but one instance—that of the single person rate in Newfoundland—OAS and GIS guarantee levels for single persons and married couples above the rates paid by the provinces for single persons and couples on welfare. Taking the situation in July of this year, OAS and GIS provided $2,306 a year for a single person and $4,400 for a married couple. At the same time, Ontario, New Brunswick and British Columbia, to give just three examples, each had a maximum assistance rate which was below $2,000 a year for a single person. Some figures applying to a married couple are as follows: in British Columbia, $3,240; in Nova Scotia, $3,072.

What about the priority of rehabilitation programs whose aims are helping people who might otherwise rely on welfare to regain or retain their ability to support themselves and their families? These include activities aimed at the vocational rehabilitation of the disabled as well as many programs mounted by the Department of Manpower to assist people with employment difficulties. These programs involve training, mobility, job placement and job creation. They also include many measures aimed at stimulating economic expansion in less developed regions, including native communities. In general, then, the question is this: Given the tremendous amount of new spending which this measure proposed by the Social Credit Party would require, how will the other needs, particularly the individual needs of people not between 60 and 64 years of age, be met?

I remind hon. members, Mr. Speaker, that the federal and provincial ministers of welfare decided in April, 1973, to launch a comprehensive review of the entire Canadian social security system. The objective of the review was to analyse the system as a whole, not just piece by piece on an ad hoc basis, in order to implement on an integrated basis major reforms urgently needed in all areas. The review was subsequently endorsed by the Canadian first minister's conference. Through this review, the needs of Canadians of all ages will be examined as a whole. The review will investigate the condition of single as well as married people—that is, of both men and women—workers, people who do not work, and people who could work but cannot secure a job, bread-winners and dependants, people who manage on their own and people who need institutional care. It will investigate the condition of people across Canada in cities, towns and rural areas.

Introducing ad hoc measures to help only one area of need on the basis of consideration of one group of our population only, and moving unilaterally on behalf of only one level of government would certainly run counter to the spirit of the review, of federal-provincial co-operation and of integrated action based on commonly perceived priorities. To stress again the central point, all such assessments will take place within a total analytical spectrum and future action will be aimed at ensuring maximum over-all efficiency, effectiveness and co-ordination of total government social security expenditure. It is felt that this method is superior to simply piling more patches on top of existing patches in a social security quilt that is already too short in some places and too threadbare in others.

We ought to look at costs. How much will such programs cost the Canadian people? Without going into too many details, I wish to consider economic costs, social costs and costs to the financial community in general. The economic costs must be considered and I stress the need for an in-depth analysis of this area. When considering economic costs, factors such as the loss of trained manpower must be considered, early retirement provisions may induce certain highly skilled and trained members of our work force to retire from active employment at an age below which less skilled workers might consider retiring.

We must consider, also, the ability of people to pay for early retirement. On the one hand, early retirement will reduce the working life of such people but will increase the cost of pensions, and on the other hand, such early retirement will reduce the ability of the economy to produce the level of real income that is needed to support a program of early retirement. We must also consider under economic costs the drop in income. Even generous pensions will provide less than can be realized by wages. In some cases the pension will not meet a person's needs and that person, after retiring, will be forced to seek social assistance.

We must also consider the social cost to the Canadian people. We must consider the problem of health. Studies show that the status of employment is a determining factor in the health of the elderly who are employed, however, this is not the only consideration to be borne in mind. Retirement from employment may have adverse effects on one's health, even if one's physical condition had remained constant prior to retirement. Also, will earlier retirement result in increased institutional care costs for senior citizens, as well as increased housing costs for senior citizens who cannot find suitable accommodation in

the private market, at a price they can afford once their income has been reduced?

Finally, one must consider the social consequences of early retirement or the negative public image of an elderly person. Will persons who retire early be willing to face the prevalent, negative image attached to elderly persons or to those who retire before retirement age?

As well, we must bear in mind the increased costs to be borne by the Canada Pension Plan and the Quebec Pension Plan in cases of early retirement. Will early retirement bring about labour-management difficulties, or will such retirement in special areas bring about specific labour shortages? I stress these points as they must be considered. It is the Canadian public who will be asked to support such programs. Increased taxes may be necessary if we are to support people who retire at an earlier age.

In conclusion, I remind hon. members opposite that the aims of their motion are not feasible at this time due to the greater needs of the Canadian people which must be attended to by the Government of Canada in ensuring that all Canadians will benefit. To state without further ado that the age of retirement should be lowered to 60, when many feel that they should not retire even at 65, is to put forward a most uncompromising proposition to the people of Canada. The overriding principle is that we must do what we can for the Canadian people, but we must resist at this time, what is proposed in view of new legislation affecting the Canada Pension Plan and measures proposed in the budget.

● (1630)

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I am glad to take part in this debate on the motion introduced by my colleagues of the Social Credit Party, and I would like to congratulate them for having introduced such a motion in this House. I would also like to urge the Minister of National Health and Welfare (Mr. Lalonde) to consider very carefully that need of those 60 years of age and over.

I would like to confess at once, Mr. Speaker, that I do not intend to take up the time allotted to me to indulge in negative criticism—quite the opposite. I would not want to be one of those who would simply say that the minister did not make any efforts. On the contrary, I know that the minister did make efforts to deal with the difficulties facing those people, proposed solutions and is now discussing with the provinces this guaranteed annual income which I think is an excellent thing.

The government is now considering with the provinces three plans of guaranteed minimum income. This is somewhat of an urgent necessity if we want to make our social security system more simple, more consistent and more effective, and especially if we want to put up a better fight against poverty.

The studies under way on income security and eventually a guaranteed minimum income are a central point in the debates and the needs of today. The present social programs and the old age security pension are currently under consideration for people of 65 years of age.

Following the many arguments that were put to me, and I think the same arguments were raised in other ridings, I personally conducted a survey in my riding. Out of 6,000 answers, 98 per cent were in favour of old age security at 60, but with the choice left to the individual so that he might either take a deserved retirement or continue to work when in very good health.

I would like to seize this opportunity to seek the minister's support so that the matter will receive particular attention and I invite him to consider the possibility.

I shall certainly be told that the government has already increased the old age security and welfare allowances. True, it has done so; we know perfectly well that it had to do it considering the cost of living. I have no intention whatsoever of repeating that the government has not considered the social security problem, but I believe there is urgency and personally I agree 100 per cent with the Social Credit motion before us today.

As for the comments I get in my riding, I have every reason to believe other members in other ridings are told the same things. How far should the government go in financing such a program? We might discuss the matter later on.

I think we should consider seriously the possibility of allowing people over 60 to take a well deserved rest. I believe that if we fail to consider that question today, when we are perfectly aware of the present situation, we may be facing old age security at 55 within 10 or 15 years. In my opinion, we would make a colossal mistake if we refused to give that matter every necessary consideration. I believe that is nearly seven years, since I represent my riding, I have never hesitated once nor have I missed once the opportunity to recommend that measure, and I think I was right.

We undoubtedly keep hearing of the expense and the possible cost of such a step. However, no one has ever been able to figure out the cost of maintaining 400,000 or 500,000 unemployed people. I believe manpower mobility would provide young men and women with job opportunities when they graduate from universities and often find with disgust that there are no jobs available for them. This would be a positive step for those young people, if we consider that 25 per cent of them are under 25 and claim unemployment insurance benefits.

There are apparently 786,000 people between the ages of 60 and 65. It might be possible to grant old age pensions as of 1975 for a period of five years to 64 year old people. According again to 1971 figures, there were at the time 145,000 people of 64 years of age.

I believe the implementation of such a measure, along with the implementation of the guaranteed annual income as mentioned by the Minister, might be extremely worthwhile. However, this is apparently not for the near future. Nevertheless the government is still thinking of that step which I think is very worthwhile, but if we consider the situation of people 65 years old especially in the light of technical changes in our industry, we know perfectly well that the same machine in any industry is running a lot faster than it was 15, 20 or even 30 years. ago. Therefore, these people who never had to rush during their working hours are quite unable to keep up with this modern technology, and if we really want to humanize the industrial

sector, we feel the need to apply this measure, and many of those would certainly be willing to retire at 60.

We must also consider the case of the wife who is not 65 yet. We could at least go even further than the proposal put forward by the government and take into consideration the fact that the wife under 65 who cannot receive a pension puts the couple in a very difficult position, something which is not provided for at the present time.

● (1640)

I would like to urge the minister to reconsider his position as concerns the granting of old age security at 60.

I said that in 1968 we had 175,000 unemployed, and I sincerely believe that we could have eliminated the problems caused by this unemployment rate. Apparently to fight inflation, the unemployment rate was increased starting in 1968, but we find ourselves, and I say this without malice, with 400,000 to 500,000 unemployed and we still have inflation to boot. If we look at the figures for 1971, we see that there were 800,000 people between 60 and 65. Had we granted old age security at 60 over five years, I believe that we would have solved the unemployment problem which worsened from year to year, while allowing those who wanted to do so to take a well-deserved rest.

In my constituency, for instance, there are approximately 3,000 people aged 60 to 65; there are not necessarily 3,000 unemployed. I believe that if we had lowered the retirement age to 64 in 1968, to 63 in 1969, and so on, we would have gone a long way towards solving the unemployment problem, which is extremely expensive.

Once again, I would urge the government or the minister responsible to consider this. We must admit that a government must be very serious and do some serious thinking before implementing a program which would apparently cost more than $1 billion. I believe we should also take into account the advantages of such legislation and the savings that it could bring about by reducing unemployment.

I wonder if, up to a point, it would involve anything more than the reallocation of certain funds, which would give a holiday to those who deserve it and benefit the young people who are still looking for jobs.

Those are the few comments I wanted to make on this motion, Mr. Speaker. But I was also thinking of the morale of the worker, for instance. We are well aware that several workers deplore the fact that social measures apply to some individuals who, without, work, often give the impression to the workers that they are more intelligent than they are.

As far as the worker is concerned, the tax levied on his wages is used once again to enable other people to remain unemployed.

I think that if such a measure were enforced, the worker would be willing and pleased to contribute to such a legislation, because at 60 years of age, he would take it seriously. Today his contributions would allow his parents to take a rest thanks to an adequate pension. I think that he would be pleased to do so. As a result, the worker would have a much greater motivation than he has today because of increased benefits which would be very costly to the government.

[Mr. La Salle.]

We are considering a specific motion which should ensure that such a measure would be to the advantage of the community. Consequently, I will not hesitate in due time, if we have to vote, to support such a motion, because it would give those people a chance to have a well deserved rest, and would also he highly beneficial both to our younger and older citizens and to all those who are looking for jobs. Given the context of a society undergoing tremendous changes, we owe it to ourselves to reconsider the legislation before us.

It is not enough, I think, to consider the possibility of having people retire at the age of 60. It is also our duty to consider the overall social aspect of the measure and the social context in which these people are living.

I think it is advisable and urgent, before undertaking any further studies, to have the basis of the old age security programs changed so that the qualifying age for pension be set between 60 and 65 in harmony with all the social programs which the Minister is now considering, and this in co-operation with the provinces. I think it would be appropriate to have this matter considered in relation with people who have reached age 60.

I also suggest that if we want to do something beneficial and humanitarian for those people, we should also consider whatever relates to this category of people such as transportation, for example. We know that this group of people often ask for certain privileges or certain benefits in connection with transportation, housing or lodging, medical prescriptions, home care and a whole list of services.

I would even go so far as to say that when the government implemented the New Horizons Program they deserved to be congratulated. They showed extraordinary initiative but it still seems that for these people the government is still short of funds. I think it is our responsibility to co-operate in promoting and organizing their leisure time and an interesting life from age 60 though the limit is now set at 65, but could be 60.

I think that a social policy for this category of people should take all those aspects into account and deal with them with all due attention. Adequate allowances are very important for them. It is important to consider the wife who unfortunately is not eligible because of her age. Whether we want it or not, we must absolutely do it. Secondly, all these factors which are part of the life of any individual at that age must be provided for in a general program which will definitely give these people a further lease on life, the benefits they are entitled to and the possibility of doing something by way of recreation.

So with these comments, Mr. Speaker, I am once again very objectively asking the minister to consider these possibilities and pass these measures as soon as possible. We know that in the primary industries there are workers aged 60 who are terribly eager to retire. And I think that such comments are received from all ridings and they are heard very often. I think that introducing this motion in the House was a good thing. As a member of this House I think it is fair to recommend this to the attention of the minister and I would be very happy to support the government if they presented us tomorrow with a similar proposal to fulfill the needs of thousands of individuals. I would be very happy to see that the government has at

last understood that it is important to implement such a legislation.

Miss Monique Bégin (Saint-Michel): Mr. Speaker, it is with great compassion that I have given thought to the motion put forward today by the Social Crediters in order to reduce, to lower to 60 the pensionable age. Besides, I must admit that my compassion for senior citizens, not for the Social Crediters, suffers badly from the hidden electoralism which I have had to hear pouring forth for a while from opposition speakers.

For anyone engaged in an election campaign, especially in Quebec, may I suggest that a lot of that kind of propositions made by the candidates of the Social Credit Party might amount to gross electoralism. This is evidenced, for example, by this cute little green book whose printing, by the way, must have cost a fortune for a so-called needy and needy inclined party, and which has been distributed in my constituency and is entitled "Le Parti Crédit Social propose". We find on page 9, and this is the startling example I use as an evidence, or at least as a rather obvious indication that the proposition, the motion now before us might not be inspired as they would like us to believe by such pure, candid and responsible motives.

● (1650)

Today, in a rather vague motion, we find a proposal to lower the eligibility age from 65 as it is now to 60. In a few minutes I will speak purposely on its cost, as I belong to a government party which is responsible for the costs involved in that.

During the election campaign, hardly four or five months ago, much more than that was promised, it was not difficult as they were not in power. They were far from Parliament and questions could not be put to them either. So here is what they promised: for any older citizen, not 65 but 60 or more, a supplement to the pension—now paid to people over 65—of $1,500 a year. And for any spouse under 60, the pension plus a supplement of $1,000 a year. We must remember that, if we put that in dollars and cents as we have to in the end, the taxpayers, the Canadian people as a whole are paying for the programs created afterwards by the federal government.

Here is what it means in figures: there are now about two million Canadians who receive either the basic monthly pension of $117 or also the guaranteed income supplement. To those two million people would be added—just like that, as if it were a drop in the bucket—all those between 60 and 65, another 1,150,000 persons, pardon me, more precisely 830,000 persons, plus the spouses under 60, that is each spouse of a person qualified for a pension, which means 320,000 persons. Therefore the two million recipients would grow to—

Mr. Lalonde: Two billion.

Miss Bégin: —recipients, I am not talking about benefits.

Mr. Lefebvre: They do not care.

Miss Bégin: The two million recipients would grow to 3,150,000 and, to top it off, just like that, a small $1,500 a year. Easier said than done when one is not on the government side and cannot possibly hope to be. I challenge the Social Credit leader, whom I can see seated at his desk and who has been applauding me for a while, I do not know for what reason, I challenge him to tell me at once how much that program would cost the federal government, namely the taxpayers. Does he have the slightest idea about it? I just took a piece of paper and a pencil—

Mr. Fortin: Mr. Speaker, I seek the privilege of answering my hon. colleague. Since Women's Year is coming, I would not dare take up a challenge by a woman.

[*English*]

The Acting Speaker (Mr. Penner): Order, please. The hon. member may request the right to reply, but he will do so at the right time, which is when he is recognized to make a contribution. This is a motion by the Créditiste party and there will be ample opportunity in the debate for members of that party to take the floor.

[*Translation*]

Miss Bégin: Mr. Speaker, my calculations amount to four billion dollars. Here, Mr. Minister, are the billions—four billion dollars, that is two thirds of the whole budget of the province of Quebec.

That is very easy. I noticed, for that matter, that the previous speaker, the hon. member for Joliette (Mr. La Salle), goes hard at it when he says this, very piously, and he is not the only member of the opposition who talked very piously this afternoon—everybody here is particularly religious on that subject today, whereas I contend that it is a public lie to deceive the people into thinking that we can afford this immediately—he says he would with great pleasure vote with the Créditistes on this resolution if it were put, while knowing very well—for he has been in this House long enough—that this resolution does not call for a vote, since it expires automatically under Standing Order 58(11). I find it a little easy for one to advocate something one knows very well one will never be able to put into practice. That amounts to telling the people, who do not have the same reference documents as we do, things that they are not in a position to check for themselves.

Going rapidly over the present situation, we know that old age pension was granted in 1952. At that time there was no guaranteed income supplement, and the pension only consisted in a monthly $40. A more flexible system was implemented in 1967 to alleviate the situation of people who were really in need. The concept of a guaranteed income according to needs was introduced, and both amounts have of course gone up steadily. It may not be as high as we might hope, for we can never ask for too much on behalf of old people. And that very feeling of guilt that we all share in respect of retired people is currently being taken advantage of with all that fuss about the alleged emergency to lower immediatly the retirement age for everyone, and to multiply the amounts to be paid under that program.

I think people's emotions are being manipulated—at least they were considerably manipulated during the electoral campaign—for in our days when the bulk of population concentrates in towns where families do not have sufficient accommodation to keep their old parents, and when provincial governments, in many instances, have

unfortunately not provided for the creation of a sufficient number of homes for the aged where required, it is unfortunately too easy to suggest that we have not done enough, and that the government is deliberately disregarding older people.

Let me add that I for one believe that pension age should not be lowered to 60, and that the time is not right. I think it should be received at 55, and this should have been done 30 years ago. I see the problem in a different light. Let me explain: 55-year-old people—and I am concerned with real problems, not with easy and reverent phrases—55-year-old people can easily and could, 20 or 30 years ago, be overly tired, for they generally worked in physically exhausting and often unacceptable social conditions.

Canadians have today the highest life expectancy in the world, namely 76 for women and between 72 and 74 for men. I no longer have the precise figures, but women do not die easily! Although I do not have the detailed statistics, I want to say that the higher our life expectancy, the more a lower pensionable age would be sought, without the least thought of facing the music and considering the problem, the possible consequences of employment interruption that would be forced upon a whole segment of the population.

I must say at this point that for every letter I received during the election campaign asking me to lower the pensionable age to 60, I got one asking me to retain the right to work for people in the same age group. Then the universality principle so dear to the hon. member for Winnipeg North Centre (Mr. Knowles) who asserted it no later than a few days or a few weeks ago is then open to question and challenged.

I do not feel that this matter can be so easily solved. As I said, I am interested in real concrete problems and not so much in ideologies easy to convey, because quite emotional, but which are deceiving the man in the street.

We would have to dismiss suddenly and arbitrarily all labour force between 60 and 65 years of age if we wish to maintain universality. This could directly make some people ill due to the disruption of their way of living, because in the Canadian community, the social institutions are not organized to meet the new needs of the group between 60 and 65 years of age who would be more and more active as a result of the increased longevity of the Canadian people.

● (1700)

It is a problem which the Creditists have not yet solved. I repeat that I would have like to see that measure applied 30 years ago, but if it was not, I think that we can sincerely say that the economic possibilities of the federal budget, perhaps also the lack of general sensibility did not allow it, but there was probably no bad faith involved.

In conclusion, Mr. Speaker, I will point out three extremely urgent problems which should be solved when referring to the needs of senior citizens.

The hon. parliamentary secretary mentioned several of those among which I would like to deal with one in particular. She mentions here social priorities in general, and not only those of people over 60 years old. Among Canadian social priorities, I would like to deal with that of single parent families in need. I will add to this three concrete problems which, in my opinion, are especially related to the last part of the second half of life. First, the employment problem for all those who lose their job after 50. I am obviously talking about the problem in large cities, which is the one I know best. The unwritten but very real discrimination of employers against any unemployed individual who has to write down on his forms that he is 51, 52, 53 years old and even more, even if he is in perfect health, should be erased from our traditions as quickly as possible.

Second, there is the urgent social problem of older single people, very often women, who had to bring up their brothers and sisters or help their aged parents and who, because of the structure of our society, did not have any special professional or technical training and who, at 50 or 60, do not receive any assistance from other members of the family and find themselves alone after having lost the parents to whom they devoted their life.

Thirdly, I wish to mention the couples who will be covered by the government proposal which we hope will be implemented in January 1975, couples in which one of the spouses is not yet of retirement age, that is couples who must suddenly start living on the pension of a single person after living on a salary and who obviously cannot manage it.

Mr. Speaker, I would have many other things to say about this problem which is very important to Canadians. It is obvious that everyone would like the retirement age lowered, and indeed, not even to 60. Some people who are 30 years old would also like it to be lowered. A great many people would like to see the retirement age lowered as soon as possible. All members of this House certainly want everything possible to be done for senior citizens. This is a basis of common understanding about which there is a consensus.

However, Mr. Speaker, I shall never accept that they tell stories to lead our people to believe that a budget which represents over two third of that of the entire province of Quebec can be found like this, without even saying from where it would come.

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, it is a pleasure for me to support the motion moved today in this House by my very good friend and colleague, the hon. member for Abitibi (Mr. Laprise), a motion which reads as follows:

> This House regrets that the Government neglected to make all those who reached the age of 60, as well as their spouses although such spouses may not have reached pensionable age, eligible for the Old Age Pension.

I want more particularly to thank and congratulate my colleague for having moved such a motion in the House on a number of occasions. I feel that it will mark an era, because it repeats what the right hon. Prime Minister (Mr. Trudeau) was saying during the last election campaign. It aims at bringing the case of senior citizens before the House, so that they may be allowed to retire at age 60 on an optional basis. I do not agree with the previous speaker that this motion provides for universal retirement at age 60. The purpose of our motion is to lower to 60 the retirement age, but on a voluntary basis, that is for those who

want it, in addition to enable the spouse of a retired person to automatically receive the old age security pension.

I consider that this is a major problem which is not easy to deal with but which requires a great deal of tact if one is to discuss it objectively. However, this problem is quite real and is becoming increasingly serious due to the ever rising cost of living. Faced with this situation, the government must take prompt action, and I feel the only position that the hon. members can take is to pursue a common goal without animosity or political partisanship, that is to find solutions as quickly as possible.

I intend, Madam Speaker, during the few minutes at my disposal, to look at what has been done up to now in various places, in order to put this debate in its true perspective. Afterwards, since this motion contains three aspects, I intend to talk first of all about the lowering of the retirement age to 60, then about the automatic eligibility to pension of the spouse and finally I will deal with the voluntary retirement for those who are between 60 and 65 years of age.

If we consider the historical background of this motion, and if we look at what is being done elsewhere, we first realize that opinions on the retirement age vary considerably according to economic requirements and special situations that occur during the life of a nation.

In times of unemployment, as is now the case in Canada, the public opinion requires that retiring age be lowered so that more older people may leave the labour market and give way to younger workers. On the other hand, it must be pointed out that the difficulty which older workers are facing to find a job also contributes to the need for lowering the retirement age. That is what happend in Denmark in 1932, when labour unions asked that retirement age be reduced from 65 to 60. The same reactions have led the British trade unions to advocate a lower retirement age and a higher limit for compulsory school attendance so as to make jobs available for young people and find them more work. It can then be said that it is the needs which guide the decisions of the countries in that connection.

● (1710)

One notices also that this problem is not a new one and that long before us other countries recognized the need to lower the pension age and passed legislation to that effect, an Act was even passed in New Zealand in 1898, to grant a pension to men and women of 60 or over. An amendment passed in 1911 in that same country lowered the pension age to 60 for men and to 55 for women, whenever the claimants had two or more dependent children of 15 or under.

Another amendment passed in 1913 granted superannuation pensions to all persons of 60 or over.

The act passed in Australia in 1908 granted superannuation pensions to men and women of 65 or over. That minimum age was lowered to 60 in 1910 and as far as I know, Australia did not go bankrupt as a result. The same amendment also provided that permanently handicapped men could retire at 60.

In Canada for instance, we had to wait until 1927 for a $20 monthly pension in the case of people of 70 or over.

All that, madam Speaker, goes to show that the problem exists in all countries, at least in the industrialized ones, and that as far as Canada is concerned, it took perhaps a little more time to get worse on account of the favourable economic context of the twenties. But I believe that state of the economy which was considered favourable in 1920 has changed now and that time has come for us to consider lowering the pension age to 60, a year at a time if necessary.

I come now to the main point of this motion, namely the lowering, progressive or not, from 65 to 60, of the age of eligibility to the old age security pension. There exist, with regard to that age level, special and often trying problems that could be solved or at least reduced with the lowering of the pension age.

Madam Speaker, there are people between 60 and 65 who do not earn enough and who have to depend on parents or on welfare and must beg for this or that in order to provide for their essential needs.

There are also the sick people who in spite of their poor health do their utmost to go to work until they reach the pension age, namely the age of 65. I represent a riding where several big factories or industries, mines or papermills are located. I often receive comments from those workers, the great majority of which would like to have the alternative to retire at 60. Mrs. Speaker, I want that point to be understood clearly! They write that they would like to have that alternative.

Furthermore, in asbestos mills such as those in Asbestos and Thetford and in papermills such as those in Brompton and Windsor in my riding, additional problems have appeared those last few years, namely the outbreak of diseases called industrial diseases.

There is also the fact that faced with economic difficulties, industries and factories demand an ever increasing output from their employees, whatever be their age; this affects the elder in a particular way and often contributes directly to shorten their lives.

Moreover, the pension at 60 would enable several younger healthy people in the bloom of youth to replace the elder willing to retire.

Furthermore, such a measure would remove the difficulties for those between 60 and 65 who are laid off for lack of capacity and do not manage to get back on the labour market.

Madam Speaker, when the Western industrial giants like Chrysler Canada Ltd., Ford Motor Company of Canada Limited and the like lay off thousands of workers such as is presently the case due to the economic crisis, the same happens with smaller enterprises. That means more and more massive lay-offs and those less able to find a new job are still the oldest workers. Hence the urgent need for adequate solutions like the one we are proposing. There are several points in favour of lowering the age of retirement, but I referred to the most important ones.

Now I should like to talk a little about the second principle in the motion before us, namely to give automatically the pension to the wife of a pensioner.

In the present circumstances, it seems to me more and more necessary that the wife of a pensioner also receive a

pension simultaneously. My constituents strongly advocated this approach and the problems submitted to us are often very distressing. For example, we have the case of the husband who retires at 65, but who is the only one to get a pension because his wife is younger than he is; often, the wife will work if she can still do so; she will work hard sometimes. She will clean floors or do similar tasks, or she will ask her member of the legislative assembly to write to the welfare people to get her a pittance from the provincial government.

I think that in 1974, the situation has lasted long enough and that we should give a pension to the wife as soon as the husband gets his.

Turning to another aspect, Madam Speaker, we propose that those between 60 and 65 not be forced into retirement but rather that they may do so if they consider it suitable.

Major objections were in fact raised, and often rightly so, about the fact that compulsory retirement would sometimes create serious problems. That is not the case for the sick, the handicapped, the non-retrainable, or those for whom it is impossible to go back to work. On the other hand, such a compulsory measure could be prejudicial to those who have obligations up until the age of retirement or even are in good health and want to continue working until 65.

The best answer to all those problems is what we are now proposing, that the pension at age 60 be optional and up to the individual. Several difficulties would thus be avoided, and the freedom of the individual would be upheld.

Madam Speaker, I am under the impression that the government should now be in a position to accept our motion, at least follow it up very soon with very specific measures since several members on the government side including the Minister of National Health and Welfare (Mr. Lalonde), as well as the right hon. Prime Minister (Mr. Trudeau) stressed the soundness of such measures as well as their principles in that respect.

To illustrate that the attitude of this government is in line with our motion, I would simply like to refer to statements made during the last election campaign in the month of July 1974. There was talk about the subject-matter of our motion today in the context of the "integrated system of social security" as laid before the people of Canada by the Liberal party in power during the last general election. For example, in the newspaper *Le Droit* of June 21, 1974, quoting from an article by Fay Larivière:

> Sherbrooke—The Prime Minister restated Thursday his intention of providing Canada with a revised and integrated social security system in cooperation with the provinces in line with the guidelines set out in the working paper of April 1973 tabled in the Commons by the Minister of National Health and Welfare, Mr. Marc Lalonde.
>
> The first measure implemented will be to extend the benefits, subject to a means test, to the wife of an old age security pensioner if she is between 60 and 65.

However small, it would be at least be a first step, a gesture indicating an intention to improve the situation in this area. All the more as since then, the cost of living has kept increasing. The situation has become even more difficult for people of 60.

Recently, in his budget speech, the Minister of Finance (Mr. Turner) announced some tax cuts for lower income groups, thus showing his willingness to deal with the difficulties caused by our economic situation. It was all very well, but I feel it is time for us to do something about pensionable age.

Madam Speaker, every political party saw fit to raise the matter during the election campaign. The time has now come for the members to act. For all these reasons, I believe that now more than ever it is time to do something positive or at least to give the Canadian people an inkling about it.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Hillsborough (Mr. Macquarrie)—Air Transport—Canada-Cuba route—Possible completion of negotiations; the hon. member for Northwest Territories (Mr. Firth)—Indian Affairs—Request for assurance James Bay settlement not used as guide in settling land claims of other native groups; the hon. member for Okanagan-Kootenay (Mr. Johnston)—Business of the House—Date of introduction of legislation establishing independent accident investigation board.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—GOVERNMENT'S NEGLECT TO PAY OLD AGE PENSION TO PERSONS AGED 60 AND THEIR SPOUSE

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

> That this House regrets that the Government neglected to make all those who reached the age of 60, as well as their spouses although such spouses may not have reached pensionable age, eligible for the Old Age Pension.

Mr. Marcel Roy (Laval): Madam Speaker, I have listened religiously to the previous speakers during this debate on the motion of the Social Credit Party. I agree entirely with the hon. member for Saint-Michel (Miss Bégin), and I think it would be rather expensive to implement such a program.

But before I expound my philosophy on this subject, I would point out to the hon. member for Joliette (Mr. La Salle) that, in my opinion, the Progressive Conservative Party has a short memory. I must explain because the hon.

member for Joliette stated at great length during the election campaign what he has just said.

● (1720)

But I have here an official document on the elections of the last few years. I notice that under the Progressive Conservative government from 1957 to 1963 the pension plan was only increased by $10 in seven years, that is less than $1.50 a year. We can then appreciate the record of the Progressive Conservative party as regards the old age security pension.

As soon as the liberals were elected in 1963, the increase was by $10, and a comparison between both records will show that under the liberals, the pension was increased from $75 in 1963 to an amount of $117.02, in October 1974, with an escalation clause, which added to the guaranteed income supplement comes to $199.10 for single people and $189.91 for a married couple.

Mr. Lalonde: This amount will be raised to $204 in January.

Mr. Roy (Laval): And the Minister just tells me that this amount will be increased to $204 in January.

Madam Speaker, such was the performance of the Progressive Conservative Party when it was in power regarding that policy, compared with the Liberal government's performance. I would raise the following question: it now seems much easier for the Conservatives to take a stand on social measures than on the oil problem. There is no unanimity in that area, because the problem seems complicated, but on social measures, they are asking for more and more and once again, we see nothing wrong with that.

Madam Speaker, when I was asked to speak today I sought inspiration in a document I have here and entitled "Je ne demande que de servir". We find in it the words of a man of extraordinary energy and courage. Here are the words of His Excellency Governor General Georges Vanier, and I quote:

> Old age does not come from the number of years lived. I firmly believe we get old only when we relinquish our ideal. Indeed, the symptoms of old age are fear and discouragement, while youth is characterized by an attitude of health and confidence, especially toward young ones.

Nowadays, attraction is toward material things. We have a tendency to stress standard of living rather than the aim of life.

In passing judgment on a social policy, it is not enough to blame the government for not bringing pensionable age down to 60. We all strive for social betterment; but improvements in this area, or in the field of economic development, are not brought about by random attempts or by momentaneous pressures. They have to be planned, with the cooperation of all the people and every social agency, both at the preparation and implementation stage. According to Statistics Canada, the 65-year old and above will number 2.5 million in 1985, a 47 per cent increase over the last census. Extrapolation indicates for the year 2000 an extra 700,000, 88 per cent more than in the 1971 census. All this points to a well planned program. Social improvement is an essential factor in economic development, to the extent it helps improve human resources.

Old Age Pensions

Madam Speaker, I would like to deal in the next few minutes with another aspect of today's debate.

I do not pretend to be an expert on old age. I would like nonetheless to give my humble views, even if they are not shared by members opposite. The latter I would refer to as "today's spendthrifts". They propose the most simplistic, the most materialistic of solutions, namely reducing pensionable age to 60 without any other consideration.

Of course, I cannot take the time to elaborate on all the social measures proposed by the Minister of National Health and Welfare (Mr. Lalonde), or to explain the general aims of the social programs that are being reviewed with the provinces, from the guaranteed income to the community employment policy, keeping in mind those who have special needs.

Having said this, I shall now restrict myself to the 1972 program which shows the importance given by the government to the plight of the older citizen in our society. This program called "New Horizons" clearly shows the willingness of this same government to explore new avenues and implement novel formulas when they appear likely to meet adequately the needs of those who have reached the third age.

What is the thrust of this program?

First of all, this program gives older people the opportunity to contribute to their own welfare as well as that of the community. Secondly, the program is designed to help the government to set up effective means of communication and liaison with the pensioners and the aged, in order to make them aware of their needs and to provide for the passage of the required measures. And thirdly, the program seeks to bring about a general awareness through which an attempt will be made to grasp the meaning of the word "aging" in the context of our modern life.

The hon. member for Joliette (Mr. La Salle) stated a while ago that the 60-year old would like to retire as soon as possible. I think that it is less and less true on the contrary. Still again, I agree with the member for Saint-Michel (Miss Bégin). If we consider that there is less physical effort than 25 years ago, that the number of working days has decreased as well as the number of working hours, I think that the statement of the hon. member for Joliette to the effect that the people would like to retire at 60 years of age is not true. He is playing politics at the expense of those people.

I would like, Madam Speaker, to refer to my father as an example. When he learned that he was pensioned at 65 years of age, he could not accept it. Unfortunately he died a few months later, because he could not get used to the idea that he was retired. He felt that he still had some possibilities and a potential to work for the community. He did not want to be discarded.

The New Horizons Program was designed as an innovation program. This was a deliberate effort in order to try to establish the most flexible program possible whereby the government would be in a position to offer to groups of retired people the financial assistance necessary to implement projects of their choice and thus give free rein to their talent, their abilities, their ingeniousness and the full richness of their experience.

Society has often tended to adopt a paternalistic attitude with the programs intended for the aged. Society was inclined to dictate rather than suggest, to act without bothering to consult beforehand the very people on behalf of whom it was acting. That is what we have tried to avoid with the New Horizons Program which is essentially based on self-determination. In the light of our brief experience, we are already in a position to recognize all the resources of invention, energy and collective goodwill shown by the aged. As they are able to identify their own needs, develop projects which interest them and plan them in conjunction with their needs and as they have been faced with many obstacles and have learned to foresee them, they know now how to assess the kind of support they will have to ask for; briefly, senior and retired citizens are now in a position to call upon all their possibilities and their experience which otherwise could not be fully exploited. But there is more: there is the spirit of enthusiasm they generate the incredible vitality which emanates from their projects; both have repercussions on the whole of society and contribute, in a way, to erase the obsolete concepts about senior citizens and to replace them by an image more akin to reality.

Madam Speaker, I have here the list of the projects that were accepted since the beginning of this federal program. The number of projects by province is extraordinary and we can see how the projects submitted fill almost unbelievable needs. They are part of a most remarkable spirit of innovation and enthusiasm. To date, since the beginning of this program, 2,960 projects have been approved for a total of $21,393,143.

How many retired people benefit from or participate in the implementation of these projects? There are 635,128 retired people who are concerned with various New Horizons projects.

● (1730)

Since I cannot table the paper, if I may, Madam Speaker, I will indicate the number of projects by province, simply to demonstrate how that program was overwhelmingly popular throughout Canada.

In Newfoundland, 47 projects were approved, amounting to $294,173. In Prince Edward Island, 35 projects were approved, totalling $132,692. In Nova Scotia, 66 projects were approved for an amount of $732,905. In New Brunswick, 111 projects were approved for an amount of $661,-254. In Quebec, 752 projects were approved, totalling $4,072,592. In Ontario, 976 projects were approved and the minister is telling me that they amounted to $5,469,653. The minister certainly is aware of the amounts of money granted by his department and he would like to see the figures quoted accurately by all members.

In Manitoba, 201 projects were approved to an amount of $932,800; in Saskatchewan, 232 projects totalling $931,-342; in Alberta, 189 projects for $1,124,975; in British Columbia, 345 projects for $1,920,231. For the Northwest Territories, four projects were approved for a total of $24,921 and two projects in the Yukon, amounting to $9,037. As I mentioned earlier, the total amount is $21,393,143.

Madam Speaker, I believe that the sampling carried out throughout Canada for these projects proves how much

our senior citizens and our pensioners want to continue working for the development of Canada.

In conclusion, I congratulate the hon. Minister and I thank him on behalf of all those people who, from October 1975, will receive a pension, as a temporary measure, which will provide assistance for a couple when one spouse retires at 65 and two people must live on a single pension. This agreement was discussed at length in the Liberal caucus and I was very glad when the minister confirmed it. It is not realistic to think that we shall solve all our social security problems by paying millions of dollars to all people between 60 and 65 who may not need it. It would be better to implement a program which guarantees the income with no age restriction for those who are unemployed, handicapped or do not have a sufficient salary.

Madam Speaker, I would like to close with this sentence of Félix Leclerc: The best way to make a man die is to stop him from working. I therefore prefer to keep in mind the positive aspect of our program rather than say that we shall provide money regardless of need.

[*English*]

Hon. W. G. Dinsdale (Brandon-Souris): Madam Speaker, I am pleased to have this opportunity which enables me to take part in this afternoon's debate. Having listened to members' contributions, I detect a reasonable degree of unanimity in our approach to the problem we are considering.

The previous speaker, the hon. member for Laval (Mr. Roy), spoke of the bad old days and seemed to identify them exclusively with one party. I do not think he deliberately meant to leave the wrong impression this afternoon. If he casts his mind back to 1956, I think he will remember the attitude shown by the then Liberal government to old age pensioners. That attitude resulted in a popular slogan being adopted in the election of 1957. All hon. members will recall what happened in the 1957 election. We saw the day of deliverance when, at long last, there was a change of government. Because of the parsimonious attitude of the outgoing Liberal government and of the then minister of finance to the funding of pensions for senior citizens of Canada, members of that government became known across the country as "the six buck boys."

This afternoon we shall not talk about the bad old days, as it is clear that in the last 15 years or so, beginning with the change of government in 1957, we have seen a new, more positive and constructive approach to the problem of meeting the social needs of the people of Canada.

● (1740)

As I already indicated, I do not think there is much disagreement on the broad fundamentals in achieving the objective that we all want to attain, that is, an adequate level of income, not only for our elderly but for all groups who find themselves in a position where they are not able to earn sufficient income for a reasonable standard of living. Along with the elderly that could include those who have disabilities such as the blind, the severely disabled, and those who are handicapped mentally or in any other respect.

I congratulate the Social Credit group for having made this debate possible. While I might not agree specifically with their solution to the problem, I am sure the debate that has been precipitated as a result of their motion is going to add a lot of grist to the mill which is now grinding as a result of the presentation of the orange paper by the Minister of National Health and Welfare (Mr. Lalonde).

I shall deal with some aspects of the orange paper, but before I do I should put on the record the fact that the members of the official opposition have been in the vanguard of exploring new ways and means of dealing with the problem of income maintenance for those who are in a needy position. For example, as far back as 1972 the Conservative party came forward with specific recommendations. I shall deal with them briefly.

First, we recommended the establishment of a national income floor for individuals and families who have no earned income because of physical disability or other valid reasons. A second major point was to ensure that an individual or family capable of earning an income below the poverty line is entitled to retain a specific amount of this earned income without any reduction in the amount of public income supplement received. This has been described as the incentives income policy. The third point was to ensure that beyond this first specified amount an individual or family would be entitled to earn an additional amount of money which would be more than that by which the public income supplement would be reduced. That, I repeat, is the policy statement that emanated from members of the official opposition as far back as 1972.

As I read the orange paper recommendations put forward by the Minister of National Health and Welfare, I can only conclude that he must have been looking over the shoulders of the policy formulators of the official opposition. I congratulate him on his wisdom in this regard.

Mr. Macquarrie: I gave him a copy.

Mr. Dinsdale: The principles that have been laid down in the current discussion that is going on with regard to social security parallel very closely those outlined by members of the Conservative party, and I shall quote them.

> In the first place, the social security plan shall ensure to persons unable to work, the elderly, the blind, and the disabled, an annual guaranteed income that is fair and compassionate.

I will read the second principle that has been laid down by the minister in his initial statement on the orange paper, because it is germane to our discussion today:

> The second principle, the social security system, applicable to persons able to work include work incentives and emphasize the need for reinstatement of social welfare recipients into the labour force.

Those two principles, I submit, are an almost direct paraphrase of the principles laid down in the Conservative party manifesto. Again I congratulate the minister. Of course he at one time had very close identification with members of the official opposition. I am sure that sort of association has had a strong determining tendency on the attitudes of the minister, even though he has fallen amongst bad companions in recent years.

Obviously there has to be action along the lines proposed by the motion because the government itself has now introduced a plan whereby its employees can retire at age 60. In parallel plans several provinces, including my own province of Manitoba, have now made similar retirement without loss of pension benefits available to their numerous employees at age 60.

We are all aware that more and more of the labour force are involved in government operations. One of the issues that emerged in the recent election campaign in my constituency—and we do not have a great number of civil servants at either the provincial or the federal level in the city of Brandon—was the question of when would the government bring its old age security program and Canada Pension Plan into line with its age 60 retirement plan? This is an indication that if we are going to rationalize our social security program we have to deal with inequities sooner or later. In light of the hodge-podge which is now an essential part of our social security system, I would say the sooner the better.

In his peregrinations during the election campaign the Prime Minister (Mr. Trudeau) made this one of the major points in his promises, of which there were many. He wants to have the following integrated into the government's social security program for pensioners: the extension of the OAS/GIS on an income tested basis to spouses aged 60 to 64 of the present recipients of the OAS/GIS.

This was to be merely an interim step until such time as the comprehensive review that has been precipitated by the presentation of the orange paper has been completed. The official opposition presented a similar proposition, namely, that there be some consideration for the spouses of husbands or wives, as the case may be, who had reached the age of 65.

In the remaining few moments of the time allotted to me I wish to go into the broader concept of the need for providing income stability to groups other than the elderly. The elderly are in a special category by reason of age. However, there are those who are prematurely handicapped, as I have already indicated, by reason of blindness, physical disability, and handicaps of various other kinds. The strange and even tragic anomaly is that there is no special income allowance for people with handicaps of this kind. Since 1924 the blind people have been asking for a blindness allowance that would be paid regardless of the financial circumstances of the individual or the family concerned. They make this request on the simple basis that blindness is a severe handicap for which there is need for general community support.

● (1750)

The hon. member for Winnipeg North Centre (Mr. Knowles) went back to 1927 in his presentation this afternoon. He referred to the great struggle for an adequate income security plan for the elderly. The blind of Canada and their associations have been campaigning for the same consideration for this group of disabled persons since 1924. The physically handicapped are in the same category. Perhaps I can deal with the two together to show how inadequate or even ridiculous the situation can be when governments, either federal or provincial, fail to consider the special needs of the handicapped.

In the case of the blind, if two blind persons marry and there is a certain amount of income the wife loses her disability allowance. It is not a generous sum in any case—about $75 a month. Recently I received a letter from two severely handicapped persons, both disabled by cerebral palsy, who married. Before their marriage the wife had been in receipt of a disability allowance of some $75. I have met these two individuals in person. The husband is less severely handicapped than the wife; she is in a wheelchair and is not really able to take care of herself at all.

The enterprising husband in this happy matrimonial situation has employment as a counsellor at the Chedoke Institute in Hamilton and now, because he has a certain income and because he has married a fellow sufferer from cerebral palsy his spouse immediately loses her social benefits. This is an urgent situation which must be dealt with, and I trust it will be attended to by the government when it brings down its more comprehensive recommendations arising from the current review of the orange paper.

Unfortunately, in recent years government involvement in these areas has been going backward rather than forward. After the war, led by the Department of Veterans Affairs, there was a great upsurge in interest in the needs of the disabled. More recently, even though our horizons have extended and we understand better the needs of the disabled with regard to education, vocational training, transportation, accommodation and so forth, there seems to have been fewer effective attempts to provide solutions.

In some parts of Canada, it is true, a beginning has been made, but we have yet to follow the example of some countries where, for instance, one finds a whole range of programs which make it possible for the severely disabled to lead a more or less normal existence notwithstanding their handicaps. Up to the present Canada's approach has left much to be desired.

I know the minister agrees with me because the orange paper suggests he is disillusioned about what has been going on in the past; emphasis has been placed upon trying to put new wine into old bottles, if I may use that figure of speech—trying to express old policies in new forms and to carry on with the outdated welfare state concept where the outlook of the government is paternalistic.

The new approach is aimed at making it possible for the handicapped to meet their own needs with the help of volunteer groups. This is borne out by the fact that the administrator of research, planning and evolution for the Department of National Health and Welfare, Mr. John Osborne, back in 1973 during a discussion in Watrous, Saskatchewan, concerning the orange paper, asked the voluntary groups working in the area of assistance to the disabled—there are 26 such groups across Canada—to let the government know where it is on the track and where it may have been derailed. I believe the minister will agree that the Canadian approach to these matters has often been off the track—that it has consistently veered off course in recent years.

The parliamentary secretary mentioned cost as being one of the deterrents to moving quickly in this field. She added that there were other demands on public funds. That is true. One of the exorbitant demands on the welfare dollar has come through the Unemployment Insurance Commission. In meeting unemployment insurance demands, overpayments of $2 billion have been made in recent years. There is no need, in a resource rich country like ours, to be faced with these huge demands on the treasury for unemployment. The great mistake is that we have tried to use the Unemployment Insurance Commission as a back door approach to the problems I have briefly outlined this afternoon.

Some of the present ad hoc programs which are geared to nothing specific have also constituted a major drain on the national treasury. I would strongly urge the minister to deal with the specific matters we have been discussing this afternoon. It will not bankrupt Canada. The way the government is spending, with an increase in the budget to $26 billion, it is evident that fiscal policy in Canada must have great flexibility. I urge the government to consider priorities and not expedience.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I expect all members of the House will readily agree that people who have worked and contributed to their community for some decades should be able to retire, (a) at an age when they are flexible enough to adapt to and enjoy their new lifestyle, and (b) with enough money to provide a decent standard of living. It will be very much harder to find agreement (a) on what is an appropriate retirement age, and (b) how much of a person's financial security in retirement should reasonably be provided by the state, how much by former employers and how much by the individual's own savings.

The motion before the House refers to state pensions being made available at age 60. The age of eligibility set for state pensions has a way of influencing the complusory retirement age. In fact it tends to become the compulsory retirement age. This certainly happened when the pension age was reduced from 70 to 65. The compulsory retirement of an unwilling employee, who is unprepared for retirement either economically or psychologically, can be a painful and unhappy business.

People who are now 60 generally entered the labour force during the depression years and often found it difficult to survive, far less think of saving for their old age, for the first 15 years of their employment. For some there was also war service, followed by resettlement problems afterwards, which further delayed the process of acquiring equity in a pension plan, even where a pension plan was available; and it must be remembered that 40 per cent of the work force is not covered by private group pension arrangements.

While the prevailing rates of old age security and guaranteed income supplement are higher than most provincial social assistance rates for single people and couples, they represent quite a drop in salary for the average Canadian worker. In the riding I represent, where many people do hard manual work, I find considerable interest on the part

of middle aged people in relocating to work which is less physically demanding, but very high resistance to the idea of final retirement.

This seems to be a fairly general trend. There is an early retirement option in the public service which provides quite generous superannuation benefits, yet less than 15 per cent of those eligible take up this option. In the blue collar area, the pioneering early retirement plan of the United Auto Workers is very well known, yet the latest take-up figures are less than 20 per cent of those eligible in Canadian plants, and only about 3 per cent of those eligible in the Detroit area, which includes some Canadian workers.

More people seem to be fighting decisions which would retire them early. There was a recent court case concerning the Canadian public service, and there are a number of cases, including many against private companies in the United States, where early retirement is more common. Even very good supplementary private pension rates for early retirees—around $625 a month after 30 years service with the UAW; 60 per cent or more of average earnings in the last five years under superannuation—do not attract large numbers of potential pensioners. So one has perhaps to look past the purely financial reasons at the drop in status which must be adjusted to by the retiring worker.

Desirable or not, our society is strongly work oriented. Individual evaluation, by oneself or by others, often flows from a person's job. In older age brackets this equation of work with social value is particularly strong. Early retirement, especially when involuntary, can drastically harm a retiree's self-image, pride and self-esteem.

● (2010)

Looking at it from another angle, will persons who retire early be willing to face the prevalent attitudes toward elder persons at a much earlier age? We are so concerned with meeting the needs of the aged today that we have given little thought to the future effects of policies on future generations of the aged. As we produce a healthier, better educated and more financially secure older generation, the trend toward earlier retirement may prove to be quite inappropriate.

The success of a retirement depends quite a bit on the amount of preparation for it, such as the development of outside interests and hobbies which can replace the work focus. It is a fallacy to think that just relaxing is something that will satisfy people who have been active all their lives. To be successful these hobbies and interests cannot simply be minor items but must be able to develop into full absorptions.

Pre-retirement training, even at age 65, is a very undeveloped field at the present time. Are we ready to meet the requirements of a whole new retired population? Leisure skills are becoming more and more expensive to acquire and practice. People who are not affluent probably have the least involvement in the hobbies and interests they need to enjoy themselves in the suddenly increased free time they will have.

There is also the whole question of social inter-action. The work place provides a daily set of human contacts, friendships and so on. Retirement removes this meeting place and can bring great loneliness. Low income earners are least likely to have a set of contacts of which they can make use when retired. Both their physical and social mobility is likely to be limited, and to grow more so as the period of retirement lengthens.

Loss of income, loss of status, loss of friends and the sense of "just hanging around" can be very destructive in respect of a person's self-esteem. Removing something that has been the focus of life for 40 years and replacing it with a void can be harmful. And dropping into retirement status people who are five years younger, more vigorous and more energetic may accentuate this sense of ennui, alienation and uselessness.

A lower pensionable age may be considerably less than a boon to older workers. It may indeed prove harmful to a number of them. People aged 60 who are not employed or are not employable because of illness or disability or, in the case of widows, because of lack of marketable skills, certainly need to have access to financial assistance. However, I do not think that should necessarily be through an early old age pension. Measures now in place include disability and survivors' benefits from the Canada and Quebec pension plans, workmen's compensation and provincial social assistance. I hope that the current social service review will result in a simplified income supplementation which is easier and less expensive to administer, and which is easier for people receiving it to understand and apply for, Mr. Speaker.

An aspect of aging which receives insufficient attention at present is that people are not only living longer, they are staying healthy, active and productive longer. Some people who take advantage of early retirement schemes use their pension to train for and undertake a second career. I do not think state pensions should be used for this purpose but I should like to see a greater interest on the part of industry in encouraging retraining of older workers. I also hope we may find a way to use some of the community employment programs to help older people retrain and relocate.

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, at the outset I should like to associate myself with the hon. member for Hillsborough (Mr. Macquarrie) and the hon. member for Winnipeg North Centre (Mr. Knowles) in congratulating the hon. member for Abitibi (Mr. Laprise), of the Social Credit party, for introducing this motion in the House today. May I also say I have no difficulty in supporting in principle or spirit any measure to assist our senior citizens with respect to their importance to our community and to our society.

I am one individual in this House who has had perhaps a unique experience with senior citizens. During my years of practice, particularly in my specialty, I have been fortunate to have been in daily contact with senior citizens in my community and in the surrounding area. I can assure you, Sir, I have developed and retain the deepest respect and admiration for this important segment of society.

Members of this House, and indeed all citizens who have not worked with senior citizens or who have not experienced a close personal contact with them, in my view have missed and are missing a rich and rewarding experience. Their philosophy of living is life itself. Their sense of independence, their humour, their faith, and

above all their devotion and loyalty to traditions and friends, could well be emulated by many in our present society. I have been privileged to share these experiences with many senior citizens, and have witnessed the important role they have played and continue to play in our society.

During the debate this afternoon the Parliamentary Secretary to the Minister of National Health and Welfare (Miss Campbell) referred to the necessity of having a comprehensive social program over and above an adequate income support program. In effect the parliamentary secretary indicated the necessity of understanding the total needs of our senior citizens. I support that thesis. I also wish to underscore the necessity of looking at the whole person, the total person, the complete individual.

Perhaps I could best exemplify this by giving one of several examples I have had over the years. I recall that about seven years ago I had occasion to look after an elderly patient who had a heart problem. She had been removed from her own home to live with her family at a distant place. I can assure you that her surroundings were excellent and that the concern and care by her family were unexcelled. Yet despite this the patient continued to deteriorate.

In looking at the total patient I thought it was important to note that what had been overlooked was her sense of independence. The cure, of course, was to return her to her own home where she could live by herself in an environment with familiar people, family and friends she had known over the years. Now, at a young age in her late 80's, she continues to enjoy her surroundings. I think all of us at that time learned a great lesson about independence and the importance of looking at the total patient, the total senior citizen.

During the 1st of March, 1973, the Minister of National Health and Welfare (Mr. Lalonde) spoke on old age security. He stated:

> . . . when coupled with the cumulative benefit increases that have been provided, it will be readily seen, Mr. Speaker, that this government has effectively banished poverty for persons over 65 years of age in the course of the last two years.

● (2020)

Mr. Lalonde: Mr. Speaker, I rise on a question of privilege. If the hon. member would check in *Hansard*, he would find that I never made such a statement. That was quoted by the former member for Ottawa West, I believe, at which point I raised a question of privilege, following which there was a correction, and an apology for misquoting me. So I suggest that the hon. member find the proper reference.

Mr. Holmes: Mr. Speaker, I am glad to see the minister has returned and is listening. I shall certainly take heed of his comments and recheck the record.

I should like to suggest to you, Mr. Speaker, and to the minister that my correspondence would not suggest that no senior citizens in our society feel that they have been complimented by the proposals presented by the government. Let me give you one illustration in a letter which I received this past week, part of which reads as follows:

> I was wondering if Mr. Turner's budget is final and all the election promises to wives of pensioners have gone down the drain.
>
> Gordon isn't able to do much, and I am trying to keep on selling Watkins to try to get enough to keep going. You know my health, nerves, diabetes, arthritis. It is far from easy to get out in the cold and try to sell to get the necessities that Gordon's pension will not stretch over. It is impossible to keep a home, pay insurances and buy food on one pension for two people. Where are all the promises that we would get my pension in January. I have no choice but try to carry on in the cold until Gordon can (hopefully) help me again.
>
> I just wondered if you could try to stress this fact to a few people like our Prime Minister and Mr. Turner.

I respectfully submit that letter to the minister. As the letter suggests—and this was indicated by the hon. member for Winnipeg North Centre (Mr. Knowles) this afternoon—the recent budget of November 8 offers very little hope and no help to the majority of our senior citizens, and in particular to that great number who are on low and fixed incomes.

The Minister of Finance (Mr. Turner) by his own admission, when he presented the budget, gave a very pessimistic economic report for 1975 indicating that inflation would continue. Indeed, it has been estimated that it will continue in double figures during the year 1975. It seems to me that if the government were truly concerned about this important segment of our population, then surely the obvious answer would have been to introduce measures that are anti-inflationary. I recognize that the minister's explanation will be to index old age security and the guaranteed income supplement, but at the same time we must recognize that the problem for this group of citizens is compounded since the basic expenses for old age pensioners for food and housing in particular tend to rise at a much higher rate than the average consumer price index.

I am also concerned when I review the estimates for the fiscal year ending March 31, 1975, and more recently the supplementary estimates, which reveal substantial increases in operating costs. And when I recall the deficit in the unemployment insurance fund of approximately $1 billion I cannot help but question the government's lack of response to social needs in establishing priorities, in particular with respect to our senior citizens.

This afternoon the hon. member for Winnipeg North Centre said that the motion before us was broad enough to include any aspect of the social security program. I simply want to make reference to two points, and perhaps the minister will comment on them later if he enters the debate. A major problem which frequently works to the disadvantage of our senior citizens is the complexity, the frequent duplication and the fragmentary approach of the social security system. I would like to take one case in point, and that is the guaranteed income supplement.

There are thousands of pensioners who are short of money because of the present system and the inability of the government to introduce alternative proposals which would guarantee the rights of these needy pensioners. This problem is compounded, certainly in my province, by the fact that to qualify for additional money or benefits, such as the 1974 elderly pensioners' tax assistance program for homeowners in Ontario, or for the recent Gains program and for drug assistance the pensioner must be on the guaranteed income supplement.

What are some of the questions that they ask? I think I can summarize these from all the correspondence I have. The questions are: Who should apply? What is yearly income? What are qualifying incomes? What yearly income qualifies a single pensioner? What yearly income qualifies a married couple where both are pensioners? What yearly income qualifies a married couple where only one is a pensioner? I suggest seriously to you, Mr. Speaker, that the majority of senior citizens do not have the information available or the answers to the questions, and I think that they are penalized because of it.

I find it inexcusable that many pensioners who are eligible for the guaranteed income supplement have not applied because of the complexity of the system. Surely the government and the Minister of National Health and Welfare in particular, could find and provide alternative proposals to correct the situation and to help these needy pensioners. Perhaps the minister will comment on this problem before the termination of this debate.

The second point I want to make is with reference to the letter that I quoted earlier in which reference was made to the hardships experienced by senior citizens when both husband and wife must try to survive on a single pension. As has been pointed out by others during this debate, surely this matter deserves thoughtful consideration by the government.

As I indicated at the outset, I was impressed with the parliamentary secretary's observation that it is necessary to look at the total social program affecting our senior citizens. During her speech this afternoon she made reference to medical care. It is important for our elderly citizens, as part of a comprehensive program, to look after these individuals. While I support the principles that were enunciated by the parliamentary secretary, I cannot let the government's record go unchallenged, and indeed that record does not reveal the existence of a program dealing with the specific health problems of the aged.

Let me take a moment or two to try to place the problem in its proper perspective. This group of citizens aged 65 and over represents approximately 8 per cent of our total population, or about 1.7 million Canadians. Projections of populations indicate that by the mid 1980's this group will represent approximately 9 per cent of the total population, or about 2.3 million people.

During 1969, 39.9 million days were used by Canadians in hospital treatment in all age groups, and of this total, 13.3 million days of hospital care were used by the 65 and over age group alone. In effect, 33 per cent of hospital days were used by only 8 per cent of the population. Significantly, in this older age group accidents and muscolo-skeletal disorders are vastly more important in women, while men suffer predominantly from cancer, respiratory and genito-urinary tract disorders.

The average length of stay in hospital for all ages is 12.6 days for men and 11.4 for women. By the age of 75 and over, the length of stay increased to 27.2 for men and 35.2 for women. Clearly, these chronic and disabling diseases are of major significance. Once again it must be stated that our priorities for research, prevention, treatment and rehabilitation are obvious to all those who look at the statistics. However, these disturbing facts do not represent the total picture of disability and despair that is frequently suffered by our senior citizens. Far too often our aging population is isolated, alone and needlessly rejected in the every day life of modern society. Too often capable expertise is retired only to be forgotten or otherwise ignored. I believe this attitude must, and can be changed.

● (2030)

All of us in this House recognize the importance of young energetic workers, but it is essential that senior citizens continue to be productive to society and to themselves. There is no doubt that the mental health of our senior citizens can be enhanced through continuing productive participation. There are many sectors of our everyday economy which continue to require the parttime assistance, consultation and advice which are available from senior citizens.

I would suggest that the Minister of National Health and Welfare, perhaps in conjunction with the Minister of Manpower and Immigration (Mr. Andras), should look carefully at the possibility of developing an inventory of senior citizens across Canada who would be readily available to provide their services when required.

We must also realize that the aging process is frequently related to many simple discomforts of life that can be resolved with prompt intervention and a little expense. For example, nutritional disorders can be linked to buying power or to the lack of properly fitting dentures. The lack of glasses and hearing aids is a major disadvantage. I believe that these problems can be resolved easily through co-ordinated action by the provincial and federal governments, and I hope that the minister will initiate discussions with the provinces to accomplish this.

Again, chronic disorders contribute a great deal to the personal discomfort of far too many aging Canadians. Our preoccupation has been with the provision of treatment facilities, often at the sacrifice or lack of provision of rehabilitation facilities, particularly as they affect these older aged groups. I would encourage the minister to concentrate on this problem and take it up with his provincial counterparts as a priority item in future federal-provincial conferences.

Many additional hardships are experienced by our senior citizens, Mr. Speaker, such as drug costs, high cost of housing, and the inaccessibility of New Horizons programs particularly in rural communities. I would simply conclude by restating that any social program for senior citizens must include adequate income support and a complete understanding of and sympathetic response to the entire individual.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, without ado, I want to say I am extremely pleased to make my most sincere contribution on that important question of old age security and the Canada Pension Plan.

To repeat what has been said earlier by some of my colleagues, this government did promise to the Canadian people that effective October 1975, allowances would be paid to spouses of old age security beneficiaries aged between 60 and 65 and provision would be made to also remove some of the requirements concerning Canadians

who have lived outside of Canada for a limited period of time.

The motion reads as follows:

This House regrets that the Government neglected to make all those who reached the age of 60, as well as their spouses although such spouses may not have reached pensionable age, eligible for the old age pension.

For many years, the Créditistes have been advocating that pensions provided under the Old Age Security Act and the Canada Pension Plan should be paid to any individual having reached age 60 and increased to $200 a month for single persons as well as married men and to $150 a month for the spouse whatever may be her age.

Mr. Speaker, as time passes, we realize that the cost of living steadily continues to increase, that people on low income such as older people and others, that the retired do not have adequate incomes to live decently, and sometimes they must even do without the basic necessities and even the indispensable. Furthermore, since there are a lot of married women who have not yet reached the age of 60 and have no source of income they often find themselves in awkward situations.

Mr. Speaker, I would like to say that each time I meet these people I take the trouble of listening to them since they express to me their problems, their concerns and their needs, and ask me to try and do something for them.

I consider, Mr. Speaker, that the method set up by the government and which consists in increasing pensions according to the cost of living index with adjustments every three months, is not an adequate solution to stop inflation since that will not cure the economic discomforts from which everyone is suffering. All other sectors will eventually face increases, the cost of living will continue to rise, the economy will suffer more and more, and consequently there will be poverty within abundance.

Everyone knows that our governments promoted poverty, unemployment and inflation through legislative methods. So it is through opposite legislative methods that our governments will restore the national economic balance for all Canadians.

Mr. Speaker, the national economic imbalance of inflation, unemployment and poverty affecting our classes of society is not accidental but indeed the result of the legislative action taken by both our Progressive Conservative and Liberal governments. Mr. Speaker, only Parliament has the right to vote legislation on the distribution of incomes and taxes among individuals, families, and corporations.

It is not the millionaire, multimillionaire, national or multinational companies or even our neighbours who have the right to vote in this Canadian Parliament but we alone, the members elected by the Canadian people. That means that we alone have the power to maintain and reestablish the national economic balance between the elements constituting our country. It is not enough to checkmate inflation, unemployment and poverty, we must above all correct this distressing situation and see to the definitive reestablishment of the national economic balance between individuals and families. In any event, the final goal of the economy can be simply reduced to the satisfaction of the population's needs. We must therefore work out new remedies and stimulants for our economy so as to achieve the happiness of all Canadians.

The smallest bit of our national economy must be provided with its fair share so that our quest for economic balance can be reflected in the whole of the national economy.

Mr. Speaker, I would like to emphasize that it is important to consider the present facts of our national economy as they stand because each year the difficulties of inflation, unemployment and poverty are considerably amplified despite increasing productivity and notwithstanding the clearer and clearer disorder of more and more senseless distribution.

In this very alarming situation, Mr. Speaker, we must try to identify abuses and make them disappear if we really want to solve the problems and reestablish the stability of our economy.

We of the Social Credit Party of Canada do not have a monopoly on folly. For years we have been suggesting very sensible solutions to the numerous problems of the whole world. Many members are patting their own backs and saying: "Another Social Credit illusion". But, Mr. Speaker, if we really take time out for a flashback, it is easy to see what seemed ridiculous yesterday is true today. Indeed, this government is timidly adopting measures advocated by the Social Credit Party of Canada such as increasing pensions at all levels and promising to establish a guaranteed annual income plan.

Mr. Speaker, I am fully convinced that governments will be compelled before long to apply the measures we advocate if they are really bent on taking steps to save Canada and the world from the disaster which hangs over mankind.

In my opinion, Mr. Speaker, it is the very high taxes and the exorbitant interest rates which are exploiting the greater part of the Canadian people and contributing to the rise in the cost of living. These exorbitant taxes and interest rates cripple the economy and create inflation, which really smother the Canadian economy and nullify the purchasing power of consumers.

We are aware that personal and corporate income taxes are under the strict jurisdiction of the elected members of Parliament whose responsibility is to meet the needs of the population as a whole.

Mr. Speaker, inflation, unemployment and poverty are the three main signs of the economic imbalance which is still hurting all economic and social levels of the Canadian people.

As I said earlier, the only way to get rid of poverty, unemployment and inflation is through restoring economic balance at the national level between individuals and families. The government of Canada alone has the power to restore quickly and thereafter maintain the kind of national balance that would eliminate inflation for the benefit of all Canadian citizens.

All this, Mr. Speaker, amply demonstrates that the time has come for a more thorough study, not only of the social security system as it applies to underprivileged citizens such as the elderly and others, but also as concerns families living on a single person's salary. I further urge the

government not to stop at this, but to undertake a study of all systems of revenues, of expenses, of hidden or secret reserves to which are entitled million- or billion-dollar companies, either national or multinational.

We suggested on various occasions that the old age security pension should be raised to $200 per month, both for single or married individuals, and to $150 in the case of the spouse of whatever age, as I indicated in my opening remarks. Mr. Speaker, like every other member, I receive on various occasions numerous requests from persons between 60 and 65. Most of the time, those people are unable to or unfit for work. I therefore urge the government once more to lower to 60 the pensionable age.

In view of the great number of people who are 60 or over, of widows and orphans without work, I most sincerely feel it is inhuman, shocking and abnormal that they be forced to live in reduced circumstances before reaching the current pensionable age of 65.

So, Mr. Speaker, I ask the government to lower the pensionable age to 60. I urge them to very seriously consider this move, I am confident it will meet with the approval of all Canadians.

● (2040)

[*English*]

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I wish to speak briefly to this motion, particularly the aspect concerning housing for senior citizens, after which I shall make a few general remarks about the motion itself.

Four sections of the National Housing Act apply to senior citizen housing. Under section 15 of the act the federal government, between the time section 15 was promulgated and September, 1974, has been instrumental in the production of 12,148 units, these being mostly bachelor and one-bedroom type units, and accommodation for 1,653 hostel beds. Under subsection (1) of section 15 the government was instrumental in producing 18,475 units, and accommodation for 30,179 hostel beds. These units were built as a result of 100 per cent loans being granted on a unilateral basis. The federal government granted these to the sponsors of the schemes, which might be any non-profit organization, municipal or provincial, or any sponsor, private or voluntary. These loans were granted under subsection (1) of section 15, as I said.

Under section 40 of the act, provincial and federal governments for over 40 years have been responsible for assembling land for family housing and senior citizen housing. Some 7,366 senior citizen units have been built under that section, together with accommodation for 146 hostel beds. The province puts up 50 per cent of the necessary capital under this section of the act.

Under section 43 of the housing act federal and provincial governments are entitled to enter into agreements under which the federal government may lend money to provincial housing corporations. Ninety per cent of such money is in the form of loans granted by the government for capital costs connected with dwellings for senior citizens and low rental housing. Under this section 38,304 units of senior citizen housing have been produced and accommodation for 430 hostel beds.

If we total all benefits accruing under the National Housing Act, we shall see that 76,293 units have been built, involving accommodation for 32,408 beds, for a total investment of just under $1 billion—for $972 million, to be exact.

Under sections 40 and 43 of the act the annual subsidy, approved on a 50-50 basis to the provinces, amounts to $25 million per year. That is the figure applying as of 1974.

Certain sections of the act and certain agreements which may be entered into under those sections are matters I do not entirely support. For instance, under sections 40 and 43 only 28 units have been built in Newfoundland, whereas in Ontario the number of units built is 32,800, in Nova Scotia, 2,772, and in Prince Edward Island, 206. Who is to blame for this situation in Newfoundland if not the provincial government which is supposed, under the housing act, to enter into agreements with the federal government?

The foregoing figures show, Sir, that for a total federal investment of slightly less than $1 billion, the federal government has provided many units of senior citizen housing. Clearly, the federal government has not been negligent in providing housing for senior citizens.

● (2050)

I wish to make reference to the motion. It reads:

> That this House regrets that the Government neglected to make all those who reached the age of 60, as well as their spouses although such spouses may not have reached pensionable age, eligible for the Old Age Pension.

The government will undoubtedly act on some form of guaranteed annual income. It will undoubtedly act on an income stabilization program for fishermen and farmers, and on providing a supplementary allowance for spouses between the ages of 60 and 65 where the income of the old age recipient is inadequate.

In bringing forward this motion I recognize the hon. member's concern for the poor. I understand his concern for those people between the ages of 60 and 65 who cannot find jobs. When we look at the actual distribution of money to people within provinces, we see the great inequity between someone living in the province of Newfoundland and someone living in the province of Alberta. We see that the Newfoundland provincial government, which has to supply 50 per cent of the total cost of welfare, certainly cannot meet the same standards as those in Alberta.

I can understand the hon. member's concern for people who, in certain instances, are almost unemployable. However, we have to consider that his motion reads:

> ... as well as their spouses although such spouses may not have reached pensionable age, eligible for the Old Age Pension.

If someone 20 years of age married someone 60 years of age, as I interpret the motion, he or she would receive the old age pension. This would take away the work incentive. About the only incentive this motion would give would be to marry someone 60 years of age if you are out of work.

In speaking against this motion, may I say I look forward to the day when there will be some form of guaranteed income, some form of income stabilization for fishermen and farmers, the vital primary producers of this country, as well as a supplement for spouses between the

ages of 60 and 65 where the family income is not adequate to meet the demands of the seventies.

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, it is with great pleasure that I enter the debate on this Créditiste motion which reads:

> That this House regrets that the Government neglected to make all those who reached the age of 60, as well as their spouses although such spouses may not have reached pensionable age, eligible for the Old Age Pension.

I compliment the hon. member for Abitibi (Mr. Laprise) on bringing forward this important subject for debate today. The section in this motion which bothers me the most concerns allowing spouses to receive the pensions, even though they may not be 60. In some cases this is justified, but what happens in the case of a man who is considerably older than his wife, say for example, 20 or 30 years her senior? At the age of 60 he naturally qualifies for the old age pension under the proposed motion, and so does his wife.

How could this parliament justify a woman in her thirties or early forties receiving a pension, simply because her husband turned 60? This holds true if a woman is older than her spouse. The motion is too broad. In order to make it fair, we have an obligation to set up age guidelines in the case of the spouses becoming eligible for the pension when their partners turn 60.

The lowering of the age of eligibility for the old age security to 60 is a step in the right direction. It has to be done sooner or later. The increase in pressures in today's society has created a lot of premature ill-health for Canadians in the 50 to 60 age group, the very group that we are discussing. Many in this age group can no longer work, while others in the same age group cannot find work because of their age.

Whatever the situation, the present high rate of unemployment makes it virtually impossible for one spouse to find employment to compensate for whatever the other spouse would receive in old age benefits once that spouse has turned 60. For those who cannot go out and work because of illness or who cannot find employment because of their age, this adds to their hardship if their only source of income is one spouse's old age benefits.

This proposed motion would assist Canadians in those unfortunate circumstances, but nevertheless I still feel that we must place age guidelines on the spouses who are not 60, but who would automatically become eligible once their partners turned 60.

Here we have a segment of our population who, by virtue of the fact that they are classified as old age pensioners, are receiving just barely enough on which to live. We turn the coin around and see virtually millions and millions of dollars being thrown away, for example in Unemployment Insurance Commission payments and LIP grants, by which we encourage Canadians not to work. How can we justify this sort of treatment to our old age pensioners? They have been the backbone of our Canadian society for years, and now that they have reached their old age, the government of the day, in gratitude, provides them with just enough to exist on, until they are no longer a burden to the government.

[Mr. Baker (Gander-Twillingate).]

Those who are new on the Canadian scene are being pampered and babied with hand-outs left and right, while those Canadians who contributed a lot of sweat, toil and tears for their country are shoved out of sight in disgrace, and are left with just enough to survive.

Ironically, Mr. Speaker, the government does not seem to realize that it is laying down a poor foundation for the very people it is babying, and creating future problems for future governments through not having enough foresight in presenting enlightened legislation which would provide adequate assitance for Canada's old age pensioners, now and in the future.

● (2100)

Several years ago the government had a slogan "the Just Society", and a just society it certainly created, a society more of injustice than of justice. The old age benefits fall in the area of injustices. But another area of the unjust society covers armed forces personnel living on pensions.

The government recently announced that there would be increases for those who came under the magic 85 plan in order that forces pensioners might combat inflation. Those who did not come under the magic 85 plan but who are receiving a pension were not eligible for the cost of living increases. The present set-up governing the magic 85 plan stipulates that a member of the armed forces or of the R.C.M.P. must, for example, have 30 years of service and be 55 years of age before being eligible for the special benefits under the 85 plan.

The constant reduction in the strength of the armed forces means that a lot of men in their late forties or early fifties will be pensioned off, and in many cases these men will not have enough years of service to qualify under the magic 85 plan. This certainly puts a lot of hardship on those who find obtaining employment difficult and still have a family to raise.

It seems to me that too many discriminatory policies are practised by the government. The government penalizes people because they are old or because they are in the armed forces. The policy of magic 85 is an example of discrimination. With the present cutback in the strength of the armed forces a lot of men in their late forties and early fifties will be forced out into a labour scene which cannot supply employment for them. Their pensions will be insufficient to support them and their families, and with the way the cost of living is continually rising I cannot see how they are going to make ends meet.

The government must reduce this magic 85 requirement and provide adequate increases to all armed forces personnel across the board. There is no excuse for a requirement that a man must have X number of years of service and be X number of years of age in order to qualify. This requirement does not exist in the civil service pension plans, so why should it exist for armed forces personnel? It is archaic, something out of the dark ages, and the sooner it is abolished the better for all concerned.

The most outrageous form of discrimination I have come across concerns a Mr. Builder, one of my constituents. The present Old Age Security Act does not recognize a Canadian veteran's overseas service whether or not he has resided in Canada full time after discharge. This overseas veteran was informed by the regional director of old age

security services in Victoria, "For our purposes we cannot consider you as physically present in Canada when we have confirmed that you were overseas with the Canadian Armed Forces from June 8, 1940, to March, 1946, and in addition left Canada again in November, 1946. The Old Age Security Act does not permit us to consider the overseas service as physically present in Canada for old age security."

If this is not discrimination then I must have a different interpretation of the word than the one on which the government relies. How can the government discriminate against the proud veterans who served overseas? Why should there be a difference in ruling as between one like myself, for example, who never went overseas, and one who did? If, after the war, I had gone out of the country in similar circumstances, then presumably when I came back in similar circumstances, I would qualify. Surely this is discrimination against veterans who served overseas.

Many veterans, like my constituent, did not choose to be sent overseas. If this veteran had been stationed in Canada, as I was, there would be no trouble, but he went where his country sent him, and because of this the government is penalizing him. This line of reasoning is unjust and discriminatory. There is no way in which it can be justified. Here is a case where a man's courageous war service in defence of his country is being used against him. It seems to be the policy of the government that those who have contributed nothing to the country are rewarded, while those who have contributed much to the defence and development of this great nation are penalized.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Madam Speaker, I am pleased to take part in this debate on the motion introduced by the Social Credit Party of Canada. The motion is aimed at reducing the pensionable age to 60 and also making the spouse eligible for a pension.

I must say that it is rather easy for an opposition party, especially one which is quite sure that it will never be called upon to form the government to introduce that kind of motion. Indeed, I would say that for the Social Credit Party of Canada it is a quite reasonable motion in comparison with some other motions introduced and discussed in the House. I recall more particularly a motion introduced last year on the annual guaranteed income which had given me the opportunity to assess the cost of the scheme then suggested by the Social Credit Party of Canada. I had made an assessment that amounted to about $26 or $27 billion and I had not yet taken into account all the factors of the guaranteed income scheme proposed by the Social Credit. I remember that some members from that party had questioned my figures, and I discussed them with a member of that party who, unfortunately or fortunately, is no longer sitting in this House, and to whom I had asked at that time what was according to his own figures, the total amount of the guaranteed income scheme proposed by the Social Credit. He told me I was mistaken in quoting $26 billion, that from the Creditistes calculation, their project would cost only $21 billion and therefore, I was greatly mistaken.

Indeed, I believe that there rests the beautiful freedom of a member of the Opposition and, in particular, of a small party in the Opposition; that enables one to make such promises. And as the hon. member for Saint-Michel (Miss Bégin) said this afternoon, it enables one to fool the electorate on a number of issues.

I must point out that the hon. member for Winnipeg North Centre (Mr. Knowles), in the course of today's debate, has once again made a strong presentation of his point of view and, consistent with his own tradition, has not taken into account the cost of such a project. I am not at all surprised for he is concerned primarily with increasing the benefits.

But I have been surprised to find how conservative the hon. member's attitude has turned out to be today. He has indeed put forward a universal amount of $200, but if my memory is correct, his own party had proposed, not so long ago, $250 a month and this universally. I do not understand why the hon. member for Winnipeg North Centre is now willing to accept this cheap program. And I would even say that this is a very conservative figure for the hon. member, since he himself proposed a universal pension of $200, when as early as next January the old age pension and the guaranteed income supplement will mean $204.27 to everyone who will pass the income test. If I understand correctly the proposal made by the hon. member for Winnipeg North Centre, he would even be willing to take $4.27 off the benefits which would be payable in January.

[*English*]

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Madam Speaker, surely, the minister would like the laughter in which he is indulging to go on the record as well? He knows that I proposed that the basic pension, which next month will be $120 a month, is the pension which should be raised to $200.

Mr. Lalonde: I am glad to have it on record finally that the hon. member is not talking any more about universality in connection with this question of old age pensions. It now comes out that he wants to have a supplement as well, yet all our disagreement in the past has been on the basis that he does not want any tests—he wants everything universal. However, if he accepts the idea of something additional there will have to be tests. I am glad to have it finally on record that the hon. member still favours some kind of income supplement.

● (2110)

Mr. Knowles (Winnipeg North Centre): Madam Speaker, would the hon. minister permit a question?

Mr. Lalonde: Madam Speaker, if the hon. member is willing to add it to my half hour I will be glad to entertain a question; I would rather take it at the end of my speech.

Mr. Knowles (Winnipeg North Centre): My question is very simple. Since the minister has only 30 minutes, why is he wasting it?

Mr. Lalonde: I cannot imagine that I am wasting my time trying to elicit new information from the hon. member for Winnipeg North Centre (Mr. Knowles). He has been in this House a long time and everything he says to me is very significant and important.

[*Translation*]

Many hon. members have taken part in today's debate which, I think, was a very good one and several have emphasized the importance of dealing with this problem as a whole. Speakers on the government side have pointed out this element and I noticed also that many hon. members from the official opposition insisted on mentioning a certain number of priorities. I note in particular the contributions made by the hon. member for Brandon-Souris (Mr. Dinsdale) and also the hon. member for Lambton-Kent (Mr. Holmes).

I would also like to thank all the Liberal members who in this debate have endeavoured most successfully to bring to our attention programs implemented over the years by the Liberal government.

With regard to the motion of the Social Credit Party of Canada, I would have appreciated it if its spokesmen had gone to more pains in order to further clarify their thoughts.

They talk, for instance, of optional retirement, Madam Speaker. I would like them to specify what they mean by this and how they are going to define this optional retirement. Do they include those self-employed, the farmer, the fisherman, the small businessman, the shopkeeper. How are we going to determine whether everyone has retired or not? Do my colleagues include all the wives who stay at home? Will they be considered as having voluntarily retired or not? And if they are not included, I would like the hon. members to put it on record instead of talking in quite general terms which seem very generous but are rather vague.

As to the situation that developed with respect to retirement, it is obvious that there was a tendency in the last decades to reduce the age of retirement. Even now we have pension plans in the private sector providing for retirement before the age of 65. On the other hand, one realizes that there are more people wondering about that approach. I refer particularly to the debate now taking palce in the United Stated concerning compulsory retirement at the age of 65.

More and more people in the United States are now raising the problems posed by compulsory retirement. A strong debate now going on tends to suggest that it might be preferable to reintroduce a system of optional retirement in view of the extended lifespan and productive capacity of a great many people over 65.

That debate is far from being settled, it will be with us for a good while but, to my mind, this indicates that the situation is not irreversible, as some would like us to think.

Madam Speaker, I would like to take the few minutes remaining to me to talk about the resolution from two points of view. First, the cost aspect and, second, the priority aspect. As to the cost aspect, it will not take much time. If the proposal under consideration were simply to extend to people between the ages of 60 and 65 the benefits now available to those over 65, that would represent an amount ranging anywhere from $1.2 to $1.6 or $1.7 billions. That is new and additional money.

This is a considerable amount, although not unthinkable. I want to stress that it still represents half of all we spend at present on old age pensions and guaranteed supplements for those over 65. In fact, that amount represents roughly double the current contribution of the federal government to social assistance under the Canada Assistance Plan.

Therefore, this amount is not to be ignored and if it is provided for this purpose, it will no longer be available for other purposes. That leads me directly to the second matter I wanted to raise, that of priorities. There is no doubt that if the state were a limitless reservoir of funds, we would immediately make people at age 60 eligible for pension, and probably people at age 40, but the state is not an inexhaustible source of funds and priorities must be determined. The responsibility, the privilege, indeed the burden of government includes defining such priorities, and that applies not only to the federal government but to provincial governments as well.

So we have to make choices and make them taking into account all the requirements that now exist, all essential or useful programs in the field of social security. As an example, I will indicate some of those priorities, Madam Speaker. There is, first of all, the need to protect the income of old age pensioners facing the rise in costs. We have already escalated old age pensions with quarterly increments and I am pleased to note that as early as January 1975, these pensions will be raised again.

The basic pension to which will be added the guaranteed income supplement will be brought from $199.10 to $204.27 and, for a couple, to $389.70. The basic pension itself will be increased to $120.06 in January. With the pensions paid under the Canada Pension Plan, the maximum benefit under this plan will be raised from $109.60 to $121 per month. So a person who is now retired will receive a maximum of $241.06 under the Canada Pension Plan, including the basic pension. Those are the amounts that will become available to elderly people as of January 1975.

Things are happening in that area, and one of the priorities is to guarantee the income of those who are already retired, who are already 65, in the face of rising prices. Another priority, Madam Speaker, is more services for older people about which many hon. members talked tonight. Some of them referred to the "New Horizons" program, others to housing programs, and still others to medical care programs. Those are so many services that, of course, we must improve for our senior citizens, essential services, and there again, the government has done a great deal in the past in that area. There is still much to do and we are committed to keep on improving these services.

Another priority which does not only concern senior citizens primarily but also citizens other than those who are retired is a better income security program intended for all those who are now unable to provide for their needs. This includes a great number of physically and mentally handicapped people as well as all one parent families, especially when they are the mother's responsibility.

A fourth priority which we must take into account is the need to supplement the income of the small wage earners, those who work for a minimum wage and who have a large family, or those who have a job at minimum wage level or casual work. We must implement a program which will encourage those people to stay in the labour force and enable them to provide for their own needs and those of their families.

A fifth priority we must face is that of strengthening the essential social services such as day nurseries and programs designed to help children in general as well as programs to help juvenile delinquents and people liable to imprisonment under Canadian laws.

Another priority which was mentioned earlier by one of my colleagues is the need to provide all our citizens with moderately priced housing and there again, the opposition frequently asks the government to implement additional measures in that area.

And finally, there is the whole extremely important area of improved manpower services such as manpower training, so that welfare recipients and unemployed may re-enter the labour market more easily. The problem is trying to reconcile all these priorities; I have not listed them all, but this is a series of priorities, of constant demands made upon the government. To reconcile these priorities is not only the federal government's problem; it is also of very great concern to the provinces which also have extensive responsibilities in this area.

May I remind my hon. colleagues that a very serious dispute almost arose between the provinces and the federal government when soon after my appointment we increased old age security pensions from $85 to $100 per month. I am surprised that my colleagues of the Social Credit Party of Canada who all come from Quebec have forgotten that period when the Quebec government in particular, and those of other provinces very firmly opposed unilateral action by the federal government in this field. They argued at the time that we were changing provincial priorities.

● (2120)

In order to achieve these goals, it is therefore essential that we maintain close co-operation with the provinces. This we endeavoured to do, Madam Speaker, as early as April 1973, and the process is now under way to review with the provinces the social security program.

This undertaking, to which we set a two-year time limit, is now nearing completion. For this reason, the federal government could not even envisage a new program or project, of the nature of that involved in the motion before us, without very seriously harming the review and being accused of bad faith by the provinces that co-operated with us in this review. May I repeat that in so doing, we would be implementing a specific provision certainly limited in nature, directed to a limited group. More importantly, it would do very little to counter poverty in this country. May I indicate once more that the intention here is to extend a universal program to a still limited group of citizens, namely the 60- to 65-year old.

What would that achieve in the fight against poverty in this country, the aim of any new undertaking in the field of social security? It would achieve very little, for the simple reason it would transfer funds to a great number of people who have no current need for it, because they have good jobs and they want to go on working in order to maintain their revenues.

Revenue distribution in the country according to five income groups indicates that over the last 20 years, in spite of all the social measures that were passed by governments over the last 20 years, there has been practically no change in the proportion of the income spread between the five groups in our society.

As a matter of fact, the only changes that came about affect the 40 per cent following the first 20 per cent at the top. This is the only group in which a favourable change took place. All those at the bottom level kept the same proportion they had previously and that, in spite of all the measures that were taken in the social field. It has been shown that without the present social measures, the situation of the poorest among us, namely those at the bottom level, would be twice as bad as it is now. Social measures thus help to improve their lot but in spite of that, the fact remains that income distribution in our society has practically remained the same over the last 20 years.

Now should we want a more equitable distribution of income, are we going to obtain it by extending to a limited group of citizens universal programs such as the one proposed in this motion? I do no think so. If we really want to tackle seriously this poverty problem in our society, we will have to take all available additional funds and allocate them, not in a universal way, but in a selective fashion, concentrating our attention on people who really need help. On this point, I agree with my hon. colleague from Hillsborough (Mr. Macquarrie), who spoke first on behalf of the Progressive Conservative Party and said we should use our funds to help those who need them the most.

And that is the general trend of the current review of social security and the fundamental priority that the government and myself have adopted.

So, what do we want to do? We want to achieve that not by considering a limited group of citizens, a single sector of the community, but by guaranteeing an income to those unable to work and earn their bread, whatever their age. We want to provide adequate help to the handicapped of 30 or 35, the chronically unemployed of 55, 56 or 57, who is unable to find work just as the chronically unemployed of 61 or 62.

And furthermore, as I was saying earlier, we want to apply available resources to supplement the income of the one who works but does not earn enough to maintain his family.

These are priorities which are not restricted to one age group, which are not restricted to a limited section of the population, to whom would be distributed universally or nearly universally funds which would benefit many people who do not need it.

These are the priorities of this government, Madam Speaker. While we have this major objective, I must once again remind hon. members that we have not ignored senior citizens.

Improvements which have been made to pensions these last few years, and especially during the last two years,

are more important than any improvement made at any time before, and the government is rightly proud of this.

As was said earlier, we started by increasing the basic pension to $100 a month, then we geared it to the cost of living to account for inflation. These benefits were adjusted quarterly. Moreover, we made a series of very important improvements to the Canada Pension Plan and the Quebec Pension Plan.

There was a considerable increase in the level of incomes which are subject to Canada Pension Plan contributions. We eliminated the income test for all people aged 65 to 70 under the Canada Pension Plan so that whatever their income, these people will still continue to receive a pension under the Canada Pension Plan. Moreover, as I said earlier, we fully adjusted the benefits under the Canada Pension Plan.

Madam Speaker, I hope we shall conclude our review of social security measures in the spring of 1975. At that time, I hope the provinces and the federal government will have come to an agreement about guidelines for reforming social security in Canada. As for guidelines for the future, I hope they will set priorities which will have been agreed to by the provincial and federal governments.

Again, to date, I believe we did not put aside the problems of the aged and the government does not intend to do so in the future.

Finally, we will fully discuss that question, and it is a question that I will certainly consider with my provincial counterparts. My colleagues in this House should also think about it. It is the matter I mentioned in the beginning, the possibility of optional retirement, selective retirement even at 65. I think that the debate will continue in the years ahead of us, and we will need the knowledge not only of my provincial counterparts but also of all members in this House.

Madam Speaker, once again I want to thank all members who have participated in that debate, particularly government members, for their contribution to the discussion which certainly interests all Canadian citizens. But I thought it was important to point out also to my Social Credit colleagues that we must take into account priorities when we discuss those matters and that we cannot propose such a project without referring to the whole set of other priorities which this country is now facing.

● (2130)

[*English*]

The Acting Speaker (Mrs. Morin): The hon. member for Esquimalt-Saanich (Mr. Munro).

Mr. Knowles (Winnipeg North Centre): Madam Speaker, I rise on a point of order. There must have been a breakdown in communications. There have been discussions with the occupants of the chair, perhaps with all of them except yourself. It was our understanding that since we have had only one speaker so far today, the speaker to follow the minister would be the hon. member for Sault Ste. Marie (Mr. Symes).

The Acting Speaker (Mrs. Morin): I regret this. I thought the hon. member for Esquimalt-Saanich was rising to ask a question. I will recognize next the hon. member for Sault Ste. Marie. Is the hon. member for Esquimalt-Saanich rising to ask a question?

[Mr. Lalonde.]

Mr. Munro (Esquimalt-Saanich): No, Madam Speaker, but may I have the assurance of a place following the hon. member for Sault Ste. Marie?

The Acting Speaker (Mrs. Morin): The hon. member for Kamouraska (Mr. Dionne) was to follow the hon. member for Sault Ste. Marie. Perhaps if there is enough time the hon. member for Esquimalt-Saanich could be recognized afterwards.

Mr. Knowles (Winnipeg North Centre): Late show for the hon. member!

Mr. Cyril Symes (Sault Ste. Marie): Madam Speaker, thank you. I am glad that I am able to follow the Minister of National Health and Welfare (Mr. Lalonde) because he has brought out all the old red herrings, such as that this measure would be too costly to implement, that the program to have voluntary retirement at the age of 60 would be too expensive, and so on. I hope in the course of my speech to use some of the figures that the minister used to disprove that it will be as costly as he claims. I think that the government can finance this measure.

The motion before us regrets that the government has not lowered the age of retirement to 60 so that those people can be eligible for old age security pensions. I would have used a stronger word than regret, nevertheless the NDP supports the idea of retirement at the age of 60, but we support it on a voluntary basis. We would also like to see the basic pension raised to $200 a month. I think the two are very complementary.

We have come a long way since 1926 when the House passed a measure giving the senior citizens of this country the magnificent sum of $20 at the age of 70. Hon. members reading their history will recall that this measure came into being mainly at the instigation and pressure of J. S. Woodsworth, the founder of the CCF. But it is also interesting to note that the Senate rejected that first pension plan passed in the House. Listening to the minister this evening, and to many other Liberal backbenchers, I found that they sounded very much like some of those Senators back in 1926 who said that the country could not afford an old age security pension plan. I would like to quote briefly two Senators who took part in that debate. First, Senator Donnelly, when the bill went to the upper house, said:

> I feel that there is in this country many people who think they have the assurance that when they reach the age of 70, the government will provide for them, and who therefore will not make very much effort to provide for their old age. I think that in this way the Bill places a premium on extravagance and imposes a tax on thrift.

Another member, Senator Beaubien, said:

> This, in my opinion, is an iniquitous measure. First of all, it is unhealthy in its basic moral principle... If this bill passes, the obligation of the children to look after their father and mother and grandfather and grandmother goes by the board... Is it judicious for us to impose upon our country such socialistic legislation as this—because it is nothing else—when there is no call for it?

That Senator said there was no call for pensions back in those days when workers were making 25 cents an hour.

Mr. Knowles (Winnipeg North Centre): He had one for life, he was a Senator.

Mr. Symes: Finally by 1929 reason and humanity prevailed, and the first pension became law. Many years later, in 1972-73, when we had another minority parliament, we got a further increase in the basic pension mainly through the untiring efforts of the hon. member for Winnipeg North Centre (Mr. Knowles) who, ever since coming to the House in 1942—that was one year before I was born—has been fighting for pensions for the senior citizens of this country.

In that last minority parliament, because of NDP pressure we got the basic pension up to $100 a month with a cost of living adjustment making it $117. It is now brought up to $199 with the supplement. But the situation today is not all that good because, when we look at inflation, we realize that since it is at a rate of 11 per cent pensioners still find themselves suffering hardship. Since 1961 the consumer price index has risen by 60 per cent, meaning that what $100 could buy in 1961 it now takes $160 to buy. I wonder what the minister and the government can say to the pensioner of today who, despite the increase in pensions, is falling behind because of the rapidly rising cost of living.

● (2140)

What does the government say about the pensioner who has eye cataracts and has to pay $107 or $110 for eye glasses? What does the government say about the pensioner who has to pay from $100 to $300 for dentures? What does the government say to pensioners who need hearing aids, which cost around $400, when we know that the cost of the components is only about $25? What does the government say to the pensioner who has seen his fuel bills increase by 31 per cent in a year? The minister says they are doing all right under the new pension increases.

What about the pensioner who has to pay outrageous prices for drugs, or the pensioner who is paying $150 or $170 a month rent or, if he owns his own home, is paying exorbitant property taxes? How do they cope? I wish the minister would follow a pensioner around the supermarket some time and see what food he buys. It is the cheapest meat, the stale food, and indeed we have heard of pensioners who have had to eat pet food. That is a disgrace in a country as wealthy as Canada, yet the minister says there is no money to increase pensions.

The fact is that 60 per cent of pensioners have an income low enough that they qualify for the guaranteed income supplement. The fact is that most of them go without proper food, clothing and accommodation. A 1972 report by economists Ross and Crawley found that about 50 per cent of Canada's aged live in poverty. I say that demonstrated a need to get the basic pension up to $200 a month.

Mr. Lalonde: Madam Speaker, on a point of order, as far as I know the motion before the House is not to increase pensions but to lower the age to 60 for the same pension. I submit that the hon. member is out of order.

Mr. Symes: Madam Speaker, I am arguing that the two go hand in hand. I should like to turn now to the actual business of retirement at age 60, and the minister's argument as to its cost. I think it is necessary first of all because many of our workers deserve it after having worked for 40 or 45 years. The life expectancy for a male in this country is 69 years, and for a female it is 76 years. That leaves the average male worker just four years to enjoy his retirement.

Lowering the retirement age to 60 would not only allow many workers to enjoy their retirement but would also allow many young people to enter the labour market, and thus help solve our unemployment problem. Many private businesses are retiring people at age 60.

The minister says that Canada has a great pension plan, but 12 other countries including France, Italy and Japan have already lowered the retirement age to 60. The minister objects to this proposed reduction. I think the ghosts of the senators are writing his speeches. For example, he is saying it is too costly, but he was saying that in 1972 when it was proposed to increase the basic pension from $82 to $100. The minority parliament changed that.

Can the government afford to reduce the pension age to 60? I think it can, for a number of reasons. The old age security income for 1972-73 was broken down as follows: personal income tax, $1,190 million, corporation tax $226 million, sales tax, $770 million. This is all applied toward pension payments. What then would it cost to reduce the pension age to 60?

The 1971 census shows 777,015 people between age 60 and 64. If we were to make retirement at age 60 voluntary I doubt whether 100 per cent of those people would elect to accept that. Studies have shown that the figure is more likely to be 30 per cent. The minister is therefore distorting things when he says it would cost between $1.2 billion and $1.6 billion. That is only if everybody retired at age 60, but if only 30 per cent did, the cost would be somewhere between $400 million and $500 million per year.

The government says it cannot afford to bring the pensionable age down to 60. I would point out to the minister that corporations are contributing $226 million to OAS. If they paid their fair share of taxes the government could easily afford it. But the minister does not want to collect extra taxes from the corporations. As of 1974 corporations have been legally able to defer paying $5.9 billion in taxes to the federal government. If the government charged 10 per cent interest on deferred taxes, which to date are interest free, it would have $500 million to contribute to bringing the pension age down to 60. So, it is quite feasible to reduce the retirement age to 60. The revenue is there, but the government is unwilling to bring in the necessary reform of the pension laws.

Canada owes her senior citizens a better deal. They built the country and we have benefited from their labour and taxes. They should be able to retire early enough to enjoy their retirement years and have an adequate income to live in dignity and security. I am sure the Liberal majority government, like the Senators in 1926, is going to deny the wishes of Canadians that the pension age be brought down to 60 and that an adequate income be provided for retirement years.

Mr. Lalonde: Madam Speaker, would the hon. member allow a question?

Mr. Symes: Yes, Madam Speaker.

Mr. Lalonde: The hon. member referred to a life expectancy of four years when a man reaches 65. Is he aware that although a life expectancy of 69 for males and 76 for females has been stated, once you reach 65, for the male the life expectancy is 14 years, and for the female 17 years? Is he aware of this?

Mr. Symes: Madam Speaker, I got my figures from Statistics Canada. Perhaps the minister and I should compare our government sources.

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Madam Speaker, I realize there is not much time left.

Some hon. Members: Hear, hear!

Mr. Dionne (Kamouraska): I realize also that some government members do not like to hear about old age security, because they cheer when time is short.

An hon. Member: Shame!

Mr. Dionne (Kamouraska): At any event, I listened very carefully to the statement of the Minister of National Health and Welfare (Mr. Lalonde) and I noted that he made some excellent comments. On the other hand, I was rather surprised to hear him mention the priorities that must come first, but it is quite normal. However, he seems to forget easily or he did not understand the stand taken by the Prime Minister (Mr. Trudeau) not so long ago. I have here a speech which he delivered in Granby on June 25, 1974, and in which he said, and I quote:

> What was announced and what we are legislating is a coordination of the two systems so that if we are elected there will be a guaranteed annual income for all those who cannot work, whatever their age, be it 65, 60, 50, or even 20.

That was during the election period.

Of course, they were in a much better mood than after the elections.

The newspaper *Le Soleil* reported this on June 21, 1974:

> Yesterday, Prime Minister Pierre Elliot Trudeau followed in the footsteps of Conservative Leader Robert Stanfield and announced that the old age security pension would be granted to the 60 year old spouse.

But that is what we are asking for. The text of the motion moved by my colleague for Abitibi (Mr. Laprise) clearly summarizes the opinion often voiced by a great number of Canadians especially during the periods of unemployment we have known during the last years. Among the comments coming from the various speakers who took part in the discussion, it is easy to see that many understand the soundness of this motion and considering the present economic circumstances, the government should propose legislation in agreement with the request submitted.

In a brief submitted for the advancement of senior citizens in January 1965, that is almost 10 years ago, we find some interesting excerpts. After having asked for a lower eligibility age, it outlined what had happened during different periods in Canada and in many other countries of the world to legislation concerning senior citizens. I believe it would be fitting to quote certain extracts of this brief presented to the special joint committee of the Senate and the House of Commons on the new pension plan. Once again, I am emphasizing that this brief was tabled in January 1965. Here is an extract, and I quote:

> Early retirement will be compulsory in the near future thanks to automation.

Well, I can see two of them gnashing their teeth on the other side. I guess that those two are professionnal gnashers.

An hon. Member: I guess they are paid for that.

Mr. Dionne (Kamouraska): I shall continue with my quotation:

● (2150)

> The government already recognizes age requirements by providing pension benefits to people of 65 and over, which emphasizes the difficulties older people have to face when looking for a job.
>
> The people of the world look more and more to their governments for universal measures providing for an adequate and secure retirement. Canada is no exception and must not be.
>
> In the United States, women of 60 and men of 65 may receive up to $200, a month; mind you, that was in 1965. In England, the age is 60 and 65; in Switzerland, 62; in New Zealand, 60; in Denmark, 62 and 67; in Soviet Union, 55 and 65. Some countries use a means test. Even in China where a few years ago old people starved to death in the streets, pensions are now paid at 50 and 55. We should be ashamed. In this vital question of age, Canada cannot lag behind that vast and overpopulated country.

It is high time a bill were passed in Canada to lower to 60 the pensionable age.

For various reasons, economic security is one of the primary needs of the aged.

It is almost ten o'clock and I would have many things to say, many details to give, many allusions to make and facts to tell about the minister's visit to the riding of Kamouraska and to a home for the aged where he must have noted that most of the time the aged never get their increase. Federal-provincial relations should be greatly improved so that the increased granted to senior citizens are not retained by provincial governments under the pretense that maintenance costs increase with the cost of living.

A real pension plan should be designed to enable older people to use their maturity at this important stage of their life, which would allow them to put into practice a philosophy of life impossible to attain at an earlier age.

While their declining physical strength or the disappearance of friends may have closed some doors to them, their maturity opens others. The disappointments of life has often increased their wisdom so that they can avoid trouble. Whatever privileges the retired must give up he still has the right to usefulness and the right to dignity.

The Economic Council of Canada states that over 700,000 Canadians among elder people live below the poverty line. Keep on laughing you two sneerers from Sherbrooke! How does the Economic Council of Canada define poverty? That is not happening elsewhere, it is happening in Canada.

At page 104 of the Fifth Annual Review of the Economic Council of Canada released in September 1968, one reads, and I quote:

> To feel poverty is, among other things, to feel oneself an unwilling outsider—a virtual nonparticipant in the society in which one lives.

The problem of poverty in developed industrial societies is increasingly viewed not as a sheer lack of essentials to sustain life, but as an insufficient access to certain goods, services, and conditions of life which are available to everyone else and have come to be accepted as basic to a decent, minimum standard of living.

Those are valid reasons that should prompt the government to pass legislation aimed at guaranteeing a minimum level of income and security for people of 60.

We should not wait for all sorts of manifestations to happen to pass legislation providing older people with a suitable pension at the age of 60.

Legislation should also be geared toward creating a climate of security for older people so they can have some compensation for the years of hardships and economic distress that too many poor, particularly in our stupid system of today, had to suffer in a country as rich as ours. Society is not fulfilling all its obligations if all it does is look after the material well-being of the retired, without considering their emotional and psychological needs. It is a mistake to think that we can somehow send older people to the pasture by providing them with food, clothing and shelter.

Canada must try to make full use of the huge tank of ideas, skills and competence represented by its million and a half inhabitants over the age of 60.

The Acting Speaker (Mrs. Morin): I am sorry to interrupt the hon. member but—

Mr. Fortin: Madam Speaker, I rise on a point of order—

The Acting Speaker (Mrs. Morin): The hon. member for Lotbinière rises on a point of order.

Mr. Fortin: Madam Speaker, I rise on a point of order for two reasons. First, the opposition day allotted to the Social Credit Party of Canada under the Standing Orders of the House of Commons for the business of supply was much shortened this afternoon by the many points of order which were raised. Second, my colleague, the hon. member for Kamouraska (Mr. Dionne), was interrupted several times by members opposite. I feel therefore that it would be only proper that the House allow him a few minutes more to complete his speech.

The Acting Speaker (Mrs. Morin): The hon. member is certainly aware that the hon. member for Kamouraska may complete his remarks only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: Make it quick!

Mr. Dionne (Kamouraska): I am very grateful to my colleagues for these few additional minutes and I want to assure them right away that I shall not try their patience.

Some hon. Members: Hear, hear!

Mr. Dionne (Kamouraska): Perhaps hon. members opposite have thought that I was about to offer my congratulations to the Minister of National Health and Welfare (Mr. Lalonde) concerning the New Horizons Program. This program allowed many of our senior citizens groups to show that they could make themselves useful through practical work and by organizing healthy recreational activities adapted to their age. I do not hesitate to congratulate the promoters of this program when I see its advantageous results. I hope that the necessary credits will be provided so as to maintain what I would call a program for the flowering of humanity.

There is something we should not forget when we talk of our senior citizens: life does have its disadvantages and the longer it lasts, the shorter it grows. It would only be normal that the period of hesitation should not be unduly prolonged before a bill is submitted so that 60-year-old Canadians can enjoy an adequate revenue and be assured of a pension at the requested age of 60.

We could make amendments to the present law. We have only to stop believing that it is not possible and we shall succeed.

● (2200)

[*English*]

The Acting Speaker (Mrs. Morin): Order, please. It being after ten o'clock, it is my duty to inform the House that, pursuant to Section 11 of Standing Order 58, the proceedings on the motion have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

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

AIR TRANSPORT—CANADA-CUBA ROUTE—POSSIBLE COMPLETION OF NEGOTIATIONS

Mr. Heath Macquarrie (Hillsborough): Madam Speaker, on October 16 I raised with the Minister of Transport (Mr. Marchand) the question of completing negotiations for regular passenger service between Cuba and Canada. I was a little surprised at the minister's reply which seemed to indicate a lack of progress in this important matter. I had thought that after so long a period of discussion our two countries were closer to formal agreement.

As many in this House know, I have long been an advocate of closer trade and contact with the Caribbean area and in that area Cuba is an important, indeed very important, element. In 1971 it was my pleasure, along with the hon. member for Cochrane (Mr. Stewart) and the hon. member for Greenwood (Mr. Brewin), to visit Cuba. I think we were the first group of Canadian parliamentarians to make an official visit to that island. There is a great potential for growth in that beautiful island, and their economic efforts merit great commendation. For those who denigrate the Castro regime, I suggest they recall or research the kind of Cuban society, the kind of Cuban government which preceded the present system of political organization.

One of the strong moves on the international scene by the government led by the right hon. gentleman from

Prince Albert (Mr. Diefenbaker) dealt with Cuba. In 1962, when Washington inspired a hemispheric embargo of Cuba, the Canadian government decided to retain diplomatic and commercial ties with Havana. We kept the doors open, but for a long time I think we have not moved sufficiently through those open doors.

Of late, things have improved. There has been a welcome increase in trade between Cuba and Canada. Our foreign trade with Cuba, $58.8 million in 1971, was practically the same in 1972 but rose to $81.9 million for 1973 with excellent prospects for 1974. Looking at the import side we see that the balance is decidedly in Canada's favour.

One thing which impressed me when I was in Cuba was the large number of trade delegations seeking to make stronger commercial contacts with the republic. I saw many European businessmen there and many Japanese but few, too few, Canadians. The Cubans, with a pragmatism which characterizes their system, have a division of their Trade and Commerce designated as "Trade with Capitalist Countries".

The opportunities for increasing trade with Cuba are encouraging and I welcome signs of leadership from both the south and the north. A few months ago the Cubans bought a shipload of first class hogs from Prince Edward Island; we have also done much in contributing to the Cuban development of pure-bred cattle of exceptional quality. An enterprising young businessman from Charlottetown has sold several orders of equipment which has done much to improve the efficiency of Cuban fish processing plants.

The Atlantic provinces' chambers of commerce plan a visit to Cuba. This is a welcome and worthwhile move. In the development of closer ties between businessmen and people generally, the provision of comfortable, convenient, regular passenger air service is very much of the essence. I should like to see a direct Halifax-Havana service or a direct Charlottetown-Havana service, but would settle for Montreal or Toronto. There is need for an upgrading of priorities in connection with this matter.

The economic realities today dictate and underline the urgency of diversifying our trade patterns. New markets are essential. We must develop them. Trade and commerce on the Atlantic seaboard by sea and air should be encouraged. I renew my appeal for increased celerity and concern with regard to this important area of transportation improvement. If the parliamentary secretary, my fellow islander, can announce tonight that arrangements are moving very fast, if he can give a date for the inaugural flight and arrange for both of us to be on it, my cup of joy will be full indeed.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): As the President of Privy Council (Mr. Sharp), the House leader, pointed out at the time, Madam Speaker, the government is not at present engaged in any "air negotiations" with Cuba. However, recent development in Canada-Cuba relations may well lead to such negotiations in the foreseeable future.

It has been recognized for some time that there is need to provide direct air connections between the two countries. There have been serious delays in communication, and in the handling of mail and freight to Cuba through the Mexican postal administration. It was proposed at one time that Cubana Airlines might operate charter flights to Montreal for the carriage of freight and mail only, at more or less regular intervals provided such traffic were shared by a Canadian carrier, but Cubana did not actively pursue this type of operation.

Canada's trade with Cuba has expanded considerably since 1970-71, as the hon. member has pointed out. While the volume of air passenger traffic between the two countries has not been particularly large, tourist traffic from Canada appears to be increasing. Air Canada has been associated with inclusive tour charters to Havana, but until recently had shown little interest in starting a regular service.

During 1973, 5,000 or more Canadians arrived in Cuba, on charter flights using Air Canada equipment. Cuban autorities, of course, along with the hon. member for Hillsborough (Mr. Macquarrie), would like to see that figure expanded. I think the hon. member will be interested to know that the Minister of Transport (Mr. Marchand) will be recommending shortly to his cabinet colleagues that we enter into negotiations to work out a bilateral air agreement with Cuba.

INDIAN AFFAIRS—REQUEST FOR ASSURANCE JAMES BAY SETTLEMENT NOT USED AS GUIDE IN SETTLING LAND CLAIMS OF OTHER NATIVE GROUPS

Mr. Wally Firth (Northwest Territories): Madam Speaker, I wish to refer to a question I put to the Minister of Indian Affairs and Northern Development (Mr. Buchanan) on November 18. The question related to a statement the minister had made on regarding the James Bay settlement as a precedent. I am happy to see the minister here tonight, since this is an important question and one in which many people across Canada are extremely interested.

I shall not take up much time, since the question itself is very basic—as a matter of fact it could be answered by a brief yes or no, although I hope the minister will be disposed to give the House a more elaborate reply.

● (2210)

I should like to ask the minister whether he can state that the government of Canada is prepared to negotiate native claims in the Northwest Territories in good faith, and without any preconceived limits or constraints arising from the James Bay settlement or other settlements? The reason I ask this question is that I am of the opinion that many people are afraid that that settlement will be used as a model, or formula. We agree that the settlement is good inasmuch as it was negotiated; and secondly the government of Canada admitted that the native peoples of this country do have aboriginal claims in certain areas. Basically that is the question I should like the minister to elaborate on at this time.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Madam Speaker, since the agreement in principle on a land settlement between the province of Quebec and the James Bay Cree Indians and Inuit of northern Quebec was announced, concern has

been expressed by other native groups who are preparing their land claims that the Quebec agreement would form a rigid basis for all future land settlements. Recent comments in the press may have contributed to this concern.

It is my view as the minister most directly involved with native claims that the James Bay settlement is an immensely important historical event, not only for the native peoples of James Bay but for all native peoples of Canada, simply because the settlement resulted from a process of negotiations. This is the process established by the government's major policy statement of August 8, 1973, and I believe the settlement indicates clearly the success of this policy. As a process, the settlement will obviously have a bearing on native claims negotiated elsewhere in Canada.

However, again I wish to emphasize that each individual claim will be considered on its merits, and that the importance of regional differences as they appear in each claim will be recognized. It is not a rigid formula. For these reasons, a different pattern of settlement from that of James Bay will likely emerge after separate negotiations with the various native groups involved in each area. We are prepared to negotiate in good faith on this basis, realizing that there will be differing conditions and aspirations, as well as different requirements in each region of the country.

BUSINESS OF THE HOUSE—DATE OF INTRODUCTION OF LEGISLATION ESTABLISHING INDEPENDENT ACCIDENT INVESTIGATION BOARD

Mr. Howard Johnston (Okanagan-Kootenay): Madam Speaker, at the end of October an airplane owned by PanArctic Oils Limited of Calgary crashed through the sea ice in the far north. Thirty-two people died, and two survived the accident. I was interested in it, as I am sure many Canadians were, because of the very extensive loss of life, yet in these days what at one time would have held the attention of the world for a long period becomes the current day's interest, and seems to disappear without further mention in a very short space of time.

As I say, there were a couple of survivors from the accident and the airplane almost made it to its destination. Under those circumstances especially I think questions are raised as to whether every precaution was taken in terms of safety, and in terms of checks and inspections of the plane itself.

Subsequent to the crash I received a letter from a constituent in which several questions were raised as to the sort of safety inspection done on privately owned planes as well as that required for commercial flights. Any plane carrying as large a number of passengers and crew as this, bears with it on every trip people whose services would be of considerable value to a large section of the population who depend upon them.

I asked a question about bringing forward in the House the proposed independent accident investigation board that was promised in the Speech from the Throne. At that time I had two supplementary questions which were more specific that I wished to direct to the Minister of Transport (Mr. Marchand). At this time I should like to direct them to the parliamentary secretary.

Can the Parliamentary Secretary to the Minister of Transport (Mr. McIsaac) give an indication concerning what investigative procedures are now underway in regard to this accident? Also can he say, when the promised independent accident investigation board is set up, whether this particular accident will be referred to it? I realize this would be somewhat retroactive. However, considering the very large loss of life I think this is the sort of accident which should be thoroughly investigated by as impartial as possible an investigative body. The families and friends of those killed and injured, as well as a great many other people involved in this sort of flight in the far north, will be very interested in the reply from the minister.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): Madam Speaker, in reply to the hon. member may I say I shall have to answer the latter part of this question at a later time as I do not have the facts with me tonight to deal with it.

In respect of the question as first presented, in the Speech from the Throne, as the hon. member mentioned correctly, the government did state its intention that an independent transportation accident investigation body would be established by parliament. This proposal is based on a report made to the ministry of transport by General H. A. MacLean, who studied present Canadian federal organizations for the investigation of transportation accidents and the promotion of transportation safety.

The proposals for the new transportation accident investigation body would include the investigation of aircraft accidents, railway accidents and marine accidents. This would involve not only a new act of parliament to set up such a body; it would also involve amendments to the Aeronautics Act, the Railway Act, the Canada Shipping Act and other legislation dealing with these matters.

At the present time the proposals for the new independent transportation accident investigation body are being studied by senior officials of the ministry of transport. It is anticipated that recommendations in respect of specific legislation will be going forward through Cabinet, to the Department of Justice, to prepare all necessary legislation in consultation with officers of the ministry of transport in the very near future.

I am confident the hon. member will agree that in the meantime we must make sure that the means now at our disposal, which have served us well in the past to investigate accidents such as the one to which he referred, will continue to be as responsive as possible to the needs of the

Canadian public. With regard to when the hon. member can expect to see the new legislation, may I say I am not able to tell him specifically the date but certainly it will be sometime during the current session after the Christmas recess.

Motion agreed to and the House adjourned at 10.20 p.m.

HOUSE OF COMMONS

Wednesday, December 4, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC SERVICE

STRIKE OF GRAIN INSPECTORS—ANNOUNCEMENT OF SETTLEMENT

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I think all hon. members may like to know that we have reached a settlement with the primary products inspectors and everyone will be back at work today or, at the latest, tomorrow morning at eight o'clock.

● (1410)

[*Later:*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, before we leave motions, could the President of the Treasury Board (Mr. Chrétien) tell us more about the second part of his statement and indicate what the terms of settlement are? I ask this now so that we need not take the time of the House during the question period.

Mr. Chrétien: Mr. Speaker, I do not know the final details. I know that the two parties reached an agreement but I do not know all the monthly payment details, and so on. I understand that the contract will be for 15 months and the increase will be 18 per cent over that 15-month period, plus other changes.

* * *

NORTHERN CANADA POWER COMMISSION

PROPOSAL TO APPOINT A MEDIATOR TO SETTLE STRIKE OF EMPLOYEES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43.

In view of the fact that a number of employees of the Northern Canada Power Commission have gone out on strike following the failure of the commission and the Public Service Alliance of Canada to come to an agreement on a new wage settlement, and in view of the fact that this situation presents a matter of some danger to public health and safety, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instruct the Minister of Labour to immediately appoint a mediator in this situation and to dispatch him to the scene so that an agreement can be arrived at as soon as possible which will satisfy all parties concerned and restore full power services to the northern communities affected.

Mr. Speaker: Order, please. The House has heard the terms of the motion which, being proposed pursuant to Standing Order 43, cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion, accordingly, cannot be put at this time.

* * *

WESTERN GRAIN STABILIZATION ACT

MEASURE RESPECTING THE STABILIZATION OF NET PROCEEDS FROM THE PRODUCTION AND SALE OF WESTERN GRAIN

Hon. Otto E. Lang (Minister of Justice) moved for leave to introduce Bill C-41, respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof.

Motion agreed to, bill read the first time and ordered to be printed.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

Mr. John M. Reid (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the following questions will be answered today: 20, 154, 176, 180, 294, 382, 455, 543, 578, 645, 662, 680, 699, 821, 836, 841, 848, 902, 914, 915, and 926 to 954 inclusive.

Mr. Speaker, if questions No. 150, 260, 270, 360 and 485 could be made orders for return, these returns would be tabled immediately.

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

Order Paper Questions

LIP—ALLOCATIONS TO CONSTITUENCIES HELD BY CABINET MINISTERS, 1973-74

Question No. 20—Mr. Cossitt:

1. What was the total amount of LIP funds allocated in 1973-74 to constituencies represented in the House of Commons by members of the Cabinet?

2. (a) What is the name of each constituency that was represented by a Cabinet Minister (b) what was the name of the Minister (c) what was the specific total of LIP funds allocated in each such constituency in 1973-74?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. $8,941,000.

(a) Constituency	(b) Cabinet Minister	(c) Funds allocated 1973–74 $
Mount Royal, Quebec	Right Hon. P. E. Trudeau	157,000
Eglinton, Ontario	Hon. Mitchell Sharp	111,000
Cape Breton Highlands—Canso, Nova Scotia	Hon. Allan J. MacEachen	865,000
Westmount, Quebec	Hon. C. M. Drury	526,000
Langelier, Quebec	Hon. Jean Marchand	409,000
Ottawa-Carleton, Ontario	Hon. John N. Turner	92,000
Saint-Maurice, Quebec	Hon. Jean Chrétien	464,000
Rosedale, Ontario	Hon. Donald S. Macdonald	529,000
Hamilton East, Ontario	Hon. John C. Munro	127,000
Hochelaga, Quebec	Hon. Gérard Pelletier	299,000
Capilano, British Columbia	Hon. Jack Davis	270,000
Restigouche, New Brunswick	Hon. Jean-Eudes Dubé	703,000
Vancouver Centre, British Columbia	Hon. Ron Basford	1,022,000
Burin-Burgeo, Newfoundland	Hon. Donald C. Jamieson	464,000
Port Arthur, Ontario	Hon. Robert Andras	191,000
Winnipeg South, Manitoba	Hon. James Richardson	410,000
Saskatoon-Humbolt, Saskatchewan	Hon. Otto E. Lang	256,000
Windsor West, Ontario	Hon. Herb Gray	172,000
York-Scarborough, Ontario	Hon. Robert Stanbury	103,000
Dollard, Quebec	Hon. Jean-Pierre Goyer	255,000
Etobicoke, Ontario	Hon. Alastair Gillespie	50,000
Parkdale, Ontario	Hon. Stanley Haidasz	116,000
Essex-Windsor, Ontario	Hon. Eugene F. Whelan	93,000
Notre-Dame-de-Grace, Quebec	Hon. Warren Allmand	195,000
Peterborough, Ontario	Hon. James Hugh Faulkner	150,000
Papineau, Quebec	Hon André Ouellet	156,000
Cardigan, Prince Edward Island	Hon. Daniel J. MacDonald	267,000
Outremont, Quebec	Hon. Marc Lalonde	272,000
Ahuntsic, Quebec	Hon. Jeanne Sauvé	217,000

Note: This breakdown is based on the address of the project sponsor. In many cases, many persons hired for LIP projects were resident in other constituencies and project activities took place in constituencies other than that in which the sponsor resided. These conditions applied particularly in the case of projects approved in urban centres, where there is considerable interchange and interaction between constituencies.

RETAILING OF POSTCARDS AND OTHER COMMERCIAL ITEMS IN POST OFFICES

Question No. 154—Mr. Clark (Rocky Mountain):

1. What methods has the government devised to assess the effectiveness of retailing postcards and other commercial items in post offices?

2. What is the conclusion of such assessments?

3. In the last fiscal year, what were (a) the costs (b) the proceeds of retailing postcards and other commercial items in post offices?

4. In the last fiscal year, was the practice of retailing commercial goods in post offices more successful in certain types of post offices and, if so, in what types was it most successful and in what types least?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): 1. While the Canada Post Office has experimented with the sale in the past year or two of what may be termed commercial items, the sale of such products has since been discontinued. The sale of illustrated prestamped postcards is an extension of the practice of selling stamped stationary which the Canada Post Office has been engaged in for over 100 years. The first illustrated prestamped postcards were issued in 1930. In selected postal outlets we are continuing the sale of postal related products and reporting systems are being refined to assist in the financial assessment of this limited product line.

2. See 1 above.

3. (a) and (b) Of the variety of postcards that have been sold by the Canada Post Office since 1871, the most recent, issued in July, 1972, bears full-colour provincial scenes which are enlargements of the postage impression on the address side of the card. Costs to date have been approximately $355,000 with proceeds from the sale of these cards estimated to be $700,000. As stated in 1, above, we are no longer involved with the sale of what may be described as commercial items.

4. The experimental sale of commercial items was generally restricted to post offices in which a philatelic counter was located. Sale of such items were not normally conducted across regular post office counters. Therefore, as

only one type of post office facility was utilized there is no basis for comparison.

NUMBER OF INDIAN STUDENTS IN ELEMENTARY AND SECONDARY SCHOOLS

Question No. 176—Mr. Orlikow:

1. How many Indian children attend elementary schools and how many attend secondary schools and, of these, how many are attending schools which are (a) purely Indian (b) integrated?

2. How does the percentage of Indian students attending (a) elementary schools (b) secondary schools compare with the percentage of the whole population attending elementary schools and secondary schools?

3. How many Indian students are attending universities or any other advanced educational institutions in each province?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development):

1.

	Elementary (1973-74)	Secondary (1973-74)
*(a)	24,536	862
(b)	27,347	9,354

*The enrolment includes non-registered Indians, registered Indians, Inuits and other non-Indians.

2.

	Indian Population	Whole Population
	(1972-1973)	(1972-73)
(a)	54,040	3,568,891
	(84.3 per cent)	(67.4 per cent)
(b)	10,003	1,725,733
	(15.7 per cent)	(32.6 per cent)

A small proportion of Indian Population might be non-registered and non-Indians.
Whole Population includes Indian population also.
Figures used are for 1972-73 fiscal year since these were the only ones available for Whole Population.

3.

	University	Other
Maritimes	54	23
Quebec	161	128
Ontario	157	212
Manitoba	309	131
Saskatchewan	309	13
Alberta	171	136
British Columbia	106	199

INDIAN STUDENTS ATTENDING UNIVERSITY

Question No. 180—Mr. Orlikow:

1. Of Indian students attending university in 1972-73, how many of those who began the first year completed the full course in each year?

2. How many Indian students attending university in 1972-73 withdrew before the end of the academic year?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): 1. During 1972-73, 480 Indian university students completed their first year.

2. During the same period, 138 Indian university students withdrew before completing their course.

GRANTS GIVEN BY FITNESS AND AMATEUR SPORT PROGRAM TO OKANAGAN BOUNDARY CONSTITUENCY

Question No. 294—Mr. Whittaker:

What was the total amount of money given out in the Fitness and Amateur Sport Program to date (a) what was the total given out in the Program in the constituency of Okanagan Boundary and what percentage is this of the total distribution (b) what projects in the Okanagan Boundary, by name and amount were given in grants (c) how many were given grants in previous years and what amounts were given to them at that time (d) how many permanent jobs were created (e) what was the total amount of applications received from the constituency of Okanagan Boundary?

Hon. Marc Lalonde (Minister of National Health and Welfare): $62,712,861. (a) With the exception of the grants-in-aid to student athletes, funds are distributed directly to national sport and recreation associations and to the Atlantic provinces and the Yukon and Northwest Territories. It is quite probable that individual athletes from the constituency of Okanagan Boundary have been supported in various competitions but this would be impossible to detail. Since 1971-72, Okanagan Boundary has received $17,500 in Grants-in-aid to student athletes. This represents .5 per cent of the total (distribution) since the inception of the granting program. (b) and (c) 1971-72: R. Advent, $1,500; 1972-73: George Athans, $2,000; B. Aynsley, $1,200; 1973-74: George Athans, $2,000; B. Ashley, $1,200; Greg Athans, $1,800; M. Bullock, $1,800; P. Hrdlitschka, $600; T. Irwin, $1,800; 1974-75: Greg Athans, $1,800; P. Hrdlitschka, $1,800. (d) The Fitness and Amateur Sport Program is not designed to create permanent jobs. Rather, it assists Canadian athletes to pursue both educational and competitive sport interests. (e) Information on unsuccessful applicants is not retained.

TEAM CANADA—USSR

Question No. 382—Mr. Cossitt:

1. With reference to the public statement made by Mr. Gerry Cheevers, a member of Team Canada 1974, to the effect that he and other members of the Team found electronic snooping devices in their Moscow hotel rooms, is the Department of External Affairs aware of such incidents and, if so, how many such incidences occurred during Team Canada's stay in Moscow?

2. Has the government made any protest to the Government of the USSR on this unwarranted invasion of privacy towards Canadian citizens and, if so (a) on what date was this protest made (b) by whom (c) to whom (d) what answer has been received and, if none, on what date is an answer expected?

3. If the government has made no representations to the Government of the USSR on this matter and if the government has just become aware of the situation, will a full investigation be made immediately and appropriate action taken as a result?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. The Department of External Affairs is aware that on October 9, 1974, allegations were made in the press that the rooms of Team Canada players in Moscow were bugged. The department has, however, not received any complaints about such activities and has no information at its disposal to suggest whether or not there is any substance to these allegations.

2. Not applicable.

3. Not applicable.

Order Paper Questions

PERCENTAGE PENALTY CHARGED ON WHARFAGE

Question No. 455—Mr. Forrestall:

1. What is the percentage penalty charged on wharfage accounts by the National Harbours Board that have not been paid per month?

2. On what date was this rate established?

3. What is the cumulative annual rate on such overdue accounts?

4. Does the government feel that it is within and compliant to government policy to charge interest at these rates?

5. Does this rate have the approval of the Cabinet and particularly the Minister of Consumer and Corporate Affairs?

6. Is it the intention to adopt this rate of interest for other departments of the government that have accounts payable?

7. On what date did the National Harbours Board determine that the vessel owners and operators should collect these accounts, as opposed to the Board collecting their own?

8. Is any litigation underway with respect to these rates and, if so, what is the nature of the government's defence of these rates?

Hon. Jean Marchand (Minister of Transport): 1. The applicable by-law provides for a penalty of 10 per cent on wharfage charges not paid within 60 days of the due date for each subsequent 30-day period. The concession to permit payment after delivery of the goods at the wharf is a convenience to the vessel owners, and the penalty is to prevent abuse of the privilege.

2. The rate of 10 per cent became effective on November 1, 1968.

3. If the penalty were applied in 12 consecutive months it would represent 120 per cent of the unpaid wharfage.

4. The wharfage by-law makes no reference to interest.

5. The wharfage by-law was approved by the Governor in Council prior to the establishment of the position of Minister of Consumer and Corporate Affairs.

6. There is no knowledge of rates of interest that other departments of the government pay, if any, on their accounts payable or of any intention to change such practice.

7. The wharfage by-law providing that wharfage charges shall be collected by the owner of the vessel has been in effect since May 9, 1966.

8. Yes. The action is a claim by the board for the penalty charges pursuant to Section 14(1)(i) of the National Harbours Board Act and by-law B-3 issued thereunder.

TEACHERS EMPLOYED BY DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Question No. 543—Mr. Orlikow:

Of the 1,673 teachers employed by the Department of Indian Affairs and Northern Development for the year 1971-72, how many were of native origin (a) Indian (b) non-status Indian (c) Eskimo?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): (a) 222 Indian status, (b) Information not available, (c) 9 Inuit.

NATIONAL REVENUE—ESTIMATED INTAKE AND NUMBER OF TAXPAYERS AUDITED

Question No. 578—Mr. Herbert:

For taxpayers with revenues (a) in excess of $200,000,000 (b) from $25,000,000 to $200,000,000 (c) from $5,000,000 to $25,000,000 what was the estimated intake and number of taxpayers audited for each of the years 1971-72, 1972-73 and 1973-74?

Hon. Ron Basford (Minister of National Revenue): While the information requested deals with taxpayers, our reply is based on tax return filers. Data for the ranges requested is only available for corporate returns. The accompanying table provides the information for corporations. "Intake" represents a reasonable approximation of intake of returns for the appropriate fiscal periods. "Tax Filers Audited" represents the number of filers of tax returns that were audited in each fiscal period.

Intake and Audits of Large Corporations
Gross Income Range

	(a) 200,000,000 and over $	(b) 25,000,000 to 200,000,000 $	(c) 5,000,000 to 25,000,000 $
1971-1972			
Intake	67	626	3,039
Tax Filers Audited	39	264	786
1972-1973			
Intake*	65	676	3,135
Tax Filers Audited	40	253	776
1973-1974			
Intake	79	680	3,517
Tax Filers Audited	48	306	888

*Intake for 1972-1973 are estimates. Actual data is not available.

DEPARTMENT OF THE ENVIRONMENT—CONTRACTS WITH LAPOINTE TRANSPORT LTD.

Question No. 645—Mr. Grafftey:

1. What transport contracts have been awarded by the Department of the Environment to Lapointe Transport Ltd., 105 Industriel Blvd., Longueuil, Quebec, since January 1, 1972?

2. What was the amount of the contract in each case?

[Mr. MacEachen.]

3. Were public tenders called in each case and, if not, for what reason?

Mr. Len Marchand (Parliamentary Secretary to Minister of Environment): 1. No contracts have been awarded to Lapointe Transport Ltd. since January 1, 1972.

2 and 3. Not applicable.

DEPARTMENT OF THE SECRETARY OF STATE—CONTRACTS WITH LAPOINTE TRANSPORT LTD.

Question No. 662—Mr. Grafftey:

1. What transport contracts have been awarded by the Department of the Secretary of State to Lapointe Transport Ltd., 105 Industriel Blvd., Longueuil, Quebec, since January 1, 1972?

2. What was the amount of the contract in each case?

3. Were public tenders called in each case and, if not, for what reason?

Hon. James Hugh Faulkner (Secretary of State): 1. None.

2. Not applicable.

3. Not applicable.

MONCTON AIRPORT

Question No. 680—Mr. Jones:

1. How many times in each of the years 1963 to 1973 inclusive was the Moncton Airport used to handle international flights?

2. Are there adequate services at the Airport available to service international flights and, if not, what additional services are required?

3. Was any study conducted or were any requests received to have the Moncton Airport designated as an international airport and, if so, what action was taken on them?

4. On what date is the Moncton Airport likely to receive international status?

Hon. Jean Marchand (Minister of Transport): 1. Records are not available for 1963. 1964—16; 1965—9; 1966—10; 1967—13; 1968—6; 1969—17; 1970—4; 1971—22; 1972—24; 1973—29. These flights were primarily general aviation and private aircraft with a small number of passengers per flight. The following additional charter flights, mainly diversions from international airports such as Halifax, are recorded for the last three years only as 1971—12; 1972—22; 1973—12, and proportional numbers of diversions may also be attributed to preceding years.

2. No. Major expansion of ground handling, terminal and inspection services would be required.

3 and 4. A number of requests were received from the city of Moncton but investigation disclosed no necessity to conduct formal studies leading to designation of Moncton Airport as International; hence, no date for such classification has been established.

AIR CANADA—MOTHER TONGUE OF SENIOR EXECUTIVE CATEGORY

Question No. 699—Mr. Jelinek:

1. What is the mother tongue of all officials in the senior executive category (equivalent to the SX category in the Public Service) in Air Canada?

2. How many of the officials in the senior executive category make over $25,000 per year?

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: 1. Air Canada is interested only in the principal language of its employees, and does not keep records of their mother tongues. On this basis, English is the principal language of 34 of the 40 executive management of the airline and French is the principal of the other six.

2. Information concerning salaries paid Air Canada executives has traditionally been treated as proprietary. To reveal this information while other Canadian airlines do not have to do so could be prejudicial to Air Canada's position in a highly competitive manpower market. Release of information covering terms of employment could also be damaging to the morale of the organization.

CANADIAN NATIONAL RAILWAYS SECURITIES TRUST EMPLOYEES

Question No. 821—Mr. Stevens:

1. As of March 31 in each year 1968, 1970, 1972 and 1974 (a) how many were employed by Canadian National Railways Securities Trust (b) what would have been their aggregate salaries if all were employed for a full year (c) how many had salary levels of (i) $20,000 or more (ii) $35,000 or more (iii) $50,000 or more?

2. What was the salary or the salary range for each of the five highest paid employees of the Corporation?

Hon. Jean Marchand (Minister of Transport): The management of Canadian National Railways advises as follows: There are no employees assigned as such to Canadian National Railways Securities Trust. The work is done by employees of Canadian National Railways.

AIR CANADA—SALARIES OF EMPLOYEES

Question No. 836—Mr. Stevens:

1. As of March 31 in each year 1968, 1970, 1972 and 1974 (a) how many were employed by Air Canada (b) what would have been their aggregate salaries if all were employed for a full year (c) how many had salary levels of (i) $20,000 or more (ii) $35,000 or more (iii) $50,000 or more?

2. What was the salary or the salary range for each of the five highest paid employees of the Corporation?

Hon. Jean Marchand (Minister of Transport):

The management of Air Canada advises as follows:

1. (a) (b)	1968	1970	1972	1974
Number of Employees	16,582	17,568	17,443	20,969
	$	$	$	$
Annual Payroll Monthly x 12	134,792,388	174,412,992	209,491,860	273,880,740

1. (c) and 2. Information concerning salaries paid Air Canada executives or groups of executives has traditionally been treated as proprietory. To reveal this information while other Canadian airlines do not have to do so could be prejudicial to Air Canada's position in a highly competitive manpower market. Release of information covering terms of employment could also be damaging to the morale of the organization.

PROPOSED REVISIONS TO INDIAN ACT

Question No. 841—Mr. Schellenberger:

1. What is the present status of the proposed revisions to the Indian Act?

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2. How much money has been allocated for this study?

3. To whom has this money been given?

4. When is the proposed completion date and will the proposal be tabled in the House of Commons or in the Standing Committee on Indian Affairs and Northern Development?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): 1. The National Indian Brotherhood presented, at the end of October, proposed revisions of the Indian Act which had been developed under the sponsorship of the Indian Association of Alberta.

2. The Department has allocated $225,000 for the study.

3. The National Indian Brotherhood.

4. The proposals submitted by the National Indian Brotherhood constitute, at this time, only a basis for discussion with the representatives of the Indian people. No decision has yet been taken whether the proposals will be tabled.

FURTHER ASSISTANCE TO AIRPORTS IN SMALL MUNICIPALITIES

Question No. 848—**Mr. Macquarrie:**

1. Does the Throne Speech reference to "further assistance to airports in small municipalities" as among "new initiatives that the government is prepared to undertake immediately" betoken an upgrading in the priorities for improvements of the Charlottetown Airport?

2. Does the recent announcement that Air Canada will provide service to Charlottetown in April, 1975 accelerate the pace of progress on said Airport improvement?

3. What improvements and additions are now decided upon for the Charlottetown Airport and what dates will each eventuate?

Hon. Jean Marchand (Minister of Transport): 1. The Throne Speech reference to "further assistance to airports in small municipalities" is generally relative to airports which are not owned and operated by the Ministry of Transport and is therefore not applicable to Charlottetown Airport.

2. The extent of Air Canada requirements when they commence services to Charlottetown Airport in April 1975 is not yet known and is the subject of current discussions between Air Canada and Ministry of Transport officials. It is not anticipated, however, that immediate needs will be crucial and it is considered that future needs for incorporation into the airport master plan are of much more significance.

3. The development of a master plan for Charlottetown Airport is in the final stages, with completion expected by early January 1975. The evolving plan and related discussions with provincial officials and the air carriers are largely keyed to the necessity for an up-graded passenger terminal and related facilities. The exact extent of these requirements will not be known until the plan is completed but there are current indications that a 3-4 year construction programme will be necessary. Implementation of the final plan will depend upon national priorities and the availability of funds. However, discussions with EPA and Air Canada are now underway to arrange a means of accommodating the increase in traffic expected. As well, a contract was awarded on November 7 to Schurman Construction for the erection of a temporary control tower to be used until new permanent facilities are constructed as a result of the master plan findings.

GOODS AND SERVICES PURCHASED THROUGH DEPARTMENT OF SUPPLY AND SERVICES

Question No. 902—**Mr. MacKay:**

What was the total amount of goods and services purchased through the Department of Supply and Services from each of the ten provinces during each year 1971, 1972, 1973 and for the first six months of 1974?

Hon. Jean-Pierre Goyer (Minister of Supply and Services):

VALUE OF DEPARTMENT OF SUPPLY AND SERVICES CONTRACTS BY GEOGRAPHIC LOCATION IN CANADA(1)

Geographic Location	FY 1971-72 $000.	FY 1972-73 $000.	FY 1973-74 $000.	April-September 1974-75 $000.
Newfoundland	6,102	7,045	12,766	6,509
Prince Edward Island	316	2,028	8,401	272
Nova Scotia	49,251	53,189	51,118	47,923
New Brunswick	18,215	14,104	19,250	12,629
Quebec	309,794	335,858	381,150	210,336
Ontario	473,672	525,835	754,278	388,091
Manitoba	37,790	55,157	49,880	30,461
Saskatchewan	10,248	10,199	14,455	8,682
Alberta	44,875	40,427	45,996	31,326
British Columbia	35,394	44,809	63,989	35,303
Yukon and Northwest Territories	1,204	1,404	1,857	1,110
Total Canada	986,861	1,090,055	1,403,140	772,642

(1) The geographic distribution of Head Office contracts is not necessarily the final shipping point nor the location where the work is actually performed but is often the location of the contractor's administrative offices. Field Operations Branch data relates to the location of the Field Office which awards the contract.

[Mr. Schellenberger.]

Order Paper Questions

STATUS OF CANADIAN ARCTIC ARCHIPELAGO

Question No. 914—**Mr. Forrestall:**

1. Does the government contend that those islands commonly referred to as the Canadian Arctic Archipelago are part of territorial Canada?

2. What nations have not recognized this claim in formal terms?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. Yes.

2. None. (Questions have been raised by the government of Denmark concerning a small rock formation known as Hans Island which is located approximately half-way between Ellsmere Island and Greenland in Kennedy Channel).

UNITED STATES ICEBREAKERS

Question No. 915—**Mr. Forrestall:**

On what date and to what effect has Canada made representations to the Government of the United States with respect to the intended use by the United States Coast Guard of the 60,000 horsepower MAGB-10 and MAGB-11 to support planned commercial interests in the Canadian Arctic Archipelago?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No such representation has been made.

JOURNEYS TAKEN BY THE PRIME MINISTER SINCE APRIL, 1967

Question No. 926—**Mr. Clark (Rocky Mountain):**

1. What is the total number of journeys taken by the Prime Minister since April 4, 1967 when the distance travelled has exceeded 100 miles?

2. Who accompanied the Prime Minister on each of these journeys?

3. What type of transport was used for each of these trips?

4. Who was the owner of each of the vehicles used?

5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): Records are not maintained in such a manner as to provide an accurate answer to this question. The cost in manpower and time to undertake the very large amount of work which would be required to gather such detailed data as is obtainable for the period covered by the question, would be prohibitive.

JOURNEYS TAKEN BY PRESIDENT OF THE QUEEN'S PRIVY COUNCIL SINCE APRIL, 1963

Question No. 927—**Mr. Clark (Rocky Mountain):**

1. What is the total number of journeys taken by the President of the Queen's Privy Council since April 22, 1963 when the distance travelled has exceeded 100 miles?

2. Who accompanied the Minister on each of these journeys?

3. What type of transport was used for each of these trips?

4. Who was the owner of each of the vehicles used?

5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY SECRETARY OF STATE SINCE APRIL, 1963

Question No. 928—**Mr. Clark (Rocky Mountain):**

1. What is the total number of journeys taken by the Secretary of State for External Affairs since April 22, 1963 when the distance travelled has exceeded 100 miles?

2. Who accompanied the Minister on each of these journeys?

3. What type of transport was used for each of these trips?

4. Who was the owner of each of the vehicles used?

5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY MINISTER OF STATE FOR SCIENCE AND TECHNOLOGY AND MINISTER OF PUBLIC WORKS SINCE APRIL, 1963

Question No. 929—**Mr. Clark (Rocky Mountain):**

1. What is the total number of journeys taken by the Minister of State for Science and Technology and Minister of Public Works since April 22, 1963 when the distance travelled has exceeded 100 miles?

2. Who accompanied the Minister on each of these journeys?

3. What type of transport was used for each of these trips?

4. Who was the owner of each of the vehicles used?

5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY MINISTER OF TRANSPORT SINCE DECEMBER, 1965

Question No. 930—**Mr. Clark (Rocky Mountain):**

1. What is the total number of journeys taken by the Minister of Transport since December 18, 1965 when the distance travelled has exceeded 100 miles?

2. Who accompanied the Minister on each of these journeys?

3. What type of transport was used for each of these trips?

4. Who was the owner of each of the vehicles used?

5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY MINISTER OF FINANCE SINCE DECEMBER, 1965

Question No. 931—**Mr. Clark (Rocky Mountain):**

1. What is the total number of journeys taken by the Minister of Finance since December 18, 1965 when the distance travelled has exceeded 100 miles?

2. Who accompanied the Minister on each of these journeys?

3. What type of transport was used for each of these trips?

4. Who was the owner of each of the vehicles used?

5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

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JOURNEYS TAKEN BY PRESIDENT OF THE TREASURY BOARD SINCE APRIL, 1967

Question No. 932—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the President of the Treasury Board since April 4, 1967 when the distance travelled has exceeded 100 miles?
2. Who accompanied the Minister on each of these journeys?
3. What type of transport was used for each of these trips?
4. Who was the owner of each of the vehicles used?
5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY POSTMASTER GENERAL SINCE FEBRUARY, 1968

Question No. 933—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the Postmaster General since February 9, 1968 when the distance travelled has exceeded 100 miles?
2. Who accompanied the Minister on each of these journeys?
3. What type of transport was used for each of these trips?
4. Who was the owner of each of the vehicles used?
5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY MINISTER OF ENERGY, MINES AND RESOURCES SINCE APRIL, 1968

Question No. 934—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the Minister of Energy, Mines and Resources since April 20, 1968 when the distance travelled has exceeded 100 miles?
2. Who accompanied the Minister on each of these journeys?
3. What type of transport was used for each of these trips?
4. Who was the owner of each of the vehicles used?
5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY MINISTER OF LABOUR SINCE APRIL, 1968

Question No. 935—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the Minister of Labour since April 20, 1968 when the distance travelled has exceeded 100 miles?
2. Who accompanied the Minister on each of these journeys?
3. What type of transport was used for each of these trips?
4. Who was the owner of each of the vehicles used?
5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

[Mr. Sharp.]

JOURNEYS TAKEN BY MINISTER OF COMMUNICATIONS SINCE APRIL, 1968

Question No. 936—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the Minister of Communications since April 20, 1968 when the distance travelled has exceeded 100 miles?
2. Who accompanied the Minister on each of these journeys?
3. What type of transport was used for each of these trips?
4. Who was the owner of each of the vehicles used?
5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY MINISTER OF NATIONAL REVENUE SINCE JULY, 1968

Question No. 937—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the Minister of National Revenu since July 6, 1968 when the distance travelled has exceeded 100 miles?
2. Who accompanied the Minister on each of these journeys?
3. What type of transport was used for each of these trips?
4. Who was the owner of each of the vehicles used?
5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY MINISTER OF REGIONAL ECONOMIC EXPANSION SINCE JULY, 1968

Question No. 938—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the Minister of Regional Economic Expansion since July 6, 1968 when the distance travelled has exceeded 100 miles?
2. Who accompanied the Minister on each of these journeys?
3. What type of transport was used for each of these trips?
4. Who was the owner of each of the vehicles used?
5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY MINISTER OF MANPOWER AND IMMIGRATION SINCE JULY, 1968

Question No. 939—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the Minister of Manpower and Immigration since July 6, 1968 when the distance travelled has exceeded 100 miles?
2. Who accompanied the Minister on each of these journeys?
3. What type of transport was used for each of these trips?
4. Who was the owner of each of the vehicles used?
5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY MINISTER OF NATIONAL DEFENCE SINCE JULY, 1968

Question No. 940—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the Minister of National Defence since July 6, 1968 when the distance travelled has exceeded 100 miles?

2. Who accompanied the Minister on each of these journeys?

3. What type of transport was used for each of these trips?

4. Who was the owner of each of the vehicles used?

5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY MINISTER OF JUSTICE SINCE JULY, 1968

Question No. 941—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the Minister of Justice and Attorney General since July 6, 1968 when the distance travelled has exceeded 100 miles?

2. Who accompanied the Minister on each of these journeys?

3. What type of transport was used for each of these trips?

4. Who was the owner of each of the vehicles used?

5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY MINISTER OF SUPPLY AND SERVICES SINCE DECEMBER, 1970

Question No. 942—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the Minister of Supply and Services since December 22, 1970 when the distance travelled has exceeded 100 miles?

2. Who accompanied the Minister on each of these journeys?

3. What type of transport was used for each of these trips?

4. Who was the owner of each of the vehicles used?

5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY MINISTER OF INDUSTRY, TRADE AND COMMERCE SINCE AUGUST, 1971

Question No. 943—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the Minister of Industry, Trade and Commerce since August 12, 1971 when the distance travelled has exceeded 100 miles?

2. Who accompanied the Minister on each of these journeys?

3. What type of transport was used for each of these trips?

4. Who was the owner of each of the vehicles used?

5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY MINISTER OF AGRICULTURE SINCE NOVEMBER, 1972

Question No. 944—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the Minister of Agriculture since November 27, 1972 when the distance travelled has exceeded 100 miles?

2. Who accompanied the Minister on each of these journeys?

3. What type of transport was used for each of these trips?

4. Who was the owner of each of the vehicles used?

5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY THE SOLICITOR GENERAL SINCE NOVEMBER, 1972

Question No. 945—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the Solicitor General since November 27, 1972 when the distance travelled has exceeded 100 miles?

2. Who accompanied the Minister on each of these journeys?

3. What type of transport was used for each of these trips?

4. Who was the owner of each of the vehicles used?

5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY SECRETARY OF STATE SINCE NOVEMBER, 1972

Question No. 946—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the Secretary of State since November 27, 1972 when the distance travelled has exceeded 100 miles?

2. Who accompanied the Minister on each of these journeys?

3. What type of transport was used for each of these trips?

4. Who was the owner of each of the vehicles used?

5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY MINISTER OF CONSUMER AND CORPORATE AFFAIRS SINCE NOVEMBER, 1972

Question No. 947—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the Minister of Consumer and Corporate Affairs since November 27, 1972 when the distance travelled has exceeded 100 miles?

2. Who accompanied the Minister on each of these journeys?

3. What type of transport was used for each of these trips?

4. Who was the owner of each of the vehicles used?

5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

Order Paper Questions

JOURNEYS TAKEN BY MINISTER OF VETERANS AFFAIRS SINCE NOVEMBER, 1972

Question No. 948—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the Minister of Veterans Affairs since November 27, 1972 when the distance travelled has exceeded 100 miles?

2. Who accompanied the Minister on each of these journeys?

3. What type of transport was used for each of these trips?

4. Who was the owner of each of the vehicles used?

5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY MINISTER OF NATIONAL HEALTH AND WELFARE SINCE NOVEMBER, 1972

Question No. 949—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the Minister of National Health and Welfare since November 27, 1972 when the distance travelled has exceeded 100 miles?

2. Who accompanied the Minister on each of these journeys?

3. What type of transport was used for each of these trips?

4. Who was the owner of each of the vehicles used?

5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY MINISTER OF THE ENVIRONMENT SINCE NOVEMBER, 1972

Question No. 950—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the Minister of the Environment since November 27, 1972 when the distance travelled has exceeded 100 miles?

2. Who accompanied the Minister on each of these journeys?

3. What type of transport was used for each of these trips?

4. Who was the owner of each of the vehicles used?

5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY THE LEADER OF THE GOVERNMENT IN THE SENATE SINCE AUGUST, 1974

Question No. 951—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the Leader of the Government in the Senate since August 8, 1974 when the distance travelled has exceeded 100 miles?

2. Who accompanied the Leader of the Government in the Senate on each of these journeys?

3. What type of transport was used for each of these trips?

4. Who was the owner of each of the vehicles used?

5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

[Mr. Sharp.]

JOURNEYS TAKEN BY MINISTER OF STATE FOR URBAN AFFAIRS SINCE AUGUST, 1974

Question No. 952—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the Minister of State for Urban Affairs since August 8, 1974 when the distance travelled has exceeded 100 miles?

2. Who accompanied the Minister on each of these journeys?

3. What type of transport was used for each of these trips?

4. Who was the owner of each of the vehicles used?

5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT SINCE AUGUST, 1974

Question No. 953—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the Minister of Indian Affairs and Northern Development since August 8, 1974 when the distance travelled has exceeded 100 miles?

2. Who accompanied the Minister on each of these journeys?

3. What type of transport was used for each of these trips?

4. Who was the owner of each of the vehicles used?

5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

JOURNEYS TAKEN BY MINISTER OF STATE (FISHERIES) SINCE AUGUST, 1974

Question No. 954—Mr. Clark (Rocky Mountain):

1. What is the total number of journeys taken by the Minister of State (Fisheries) since August 8, 1974 when the distance travelled has exceeded 100 miles?

2. Who accompanied the Minister on each of these journeys?

3. What type of transport was used for each of these trips?

4. Who was the owner of each of the vehicles used?

5. Who provided remuneration for the expenses incurred by the use of the particular type of transportation on each journey?

Hon. Mitchell Sharp (President of Privy Council): See reply to question No. 926 answered this day.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN ARMED FORCES—APPLICANTS FOR TEACHING POSTS ABROAD

Question No. 150—Mr. Clark (Rocky Mountain):

What is (a) the name (b) the Canadian address of each successful applicant for teaching posts abroad with the Canadian Armed Forces in each of the years 1970, 1971, 1972, 1973 and 1974?

Return tabled.

CFB GAGETOWN—CONSTRUCTION CONTRACTS

Question No. 260—Mr. Howie:

To whom and for how much money were any contracts awarded for the construction, renovation or maintenance of roads or buildings at CFB Gagetown since January 1, 1973?

Return tabled.

CUSTOMERS OF CANADIAN ARSENALS LIMITED

Question No. 270—Mr. Kaplan:

1. Who were the customers of Canadian Arsenals Limited in the past fiscal year?

2. What was the value and nature of goods purchased by each such customer?

3. If any such goods were purchased by the government or any agency of it for resale to third parties, who were such third parties?

Return tabled.

SECURITY STAFF OPERATING FLUOROSCOPY MACHINES AT AIRPORTS

Question No. 360—Mr. Brisco:

1. Do security staff at some airports in Canada, who are operating or monitoring a fluoroscopy machine for the purpose of examining hand luggage, wear film badges provided by the Radiation Protection Division of the Department of National Health and Welfare and (a) if not, for what reason do they not wear these film badges which are designed to indicate the amount of radiation to which the wearer is being subjected (b) if so, how often does the wearer receive a report from the Radiation Protection Division recording the amount of radiation the wearer has received?

2. Do all security staff working in the immediate vicinity of the fluoroscopy units being used at various Canadian airports wear a film badge provided by the Radiation Protection Division of the Department of National Health and Welfare?

3. Is there any danger that exposed or unexposed camera or movie films, contained in such hand baggage, might be fogged or otherwise unfavourably affected by this exposure to ionizing radiation?

Return tabled.

GRANTS, AWARDS AND FELLOWSHIPS GIVEN TO UNIVERSITY STAFFS

Question No. 485—Mr. Holmes:

1. How many grants, awards and fellowships have been given to non-Canadian university staff by (a) the National Research Council (b) the Medical Research Council (c) the Canada Council, from the 1970 to 1974 fiscal years?

2. How many grants, awards and fellowships have been given to Canadian university staff by (a) the National Research Council (b) the Medical Research Council (c) the Canada Council, from the 1970 to 1974 fiscal years?

3. For what reason does the National Research Council require Canadian citizenship requirements or landed immigrant status of students as an eligibility factor of application for post-graduate scholarships, bursaries or post-doctorate fellowships but does not require these citizenship conditions for university staff applying for grants and awards?

Return tabled.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of Privy Council): Mr. Speaker, notice of motion for the production of papers No. 14 is acceptable to the government subject to the usual reservations concerning confidential documents and to the authorization of the government authorities concerned.

COPIES OF ALL CORRESPONDENCE BETWEEN FEDERAL AND MANITOBA GOVERNMENTS REGARDING USE OF HOUSING UNITS IN FORT CHURCHILL

Motion No. 14—Mr. Orlikow:

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence between the government or any of its departments and the Province of Manitoba regarding the use of housing units now and previously owned by the Department of Public Works in Fort Churchill, Manitoba, from 1970 to 1974.

Motion agreed to.

Mr. Reid: I ask, Mr. Speaker, that the other notices of motions be allowed to stand.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—REQUEST FOR INVESTIGATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Acting Prime Minister. In light of the very serious allegations made by a member of the Ontario legislature and the position taken by the Ontario solicitor general, is it the intention of the government to set up an independent inquiry into the operations of the SIU in order to fully and independently investigate the charges of violence and intimidation?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as my colleague the Minister of Labour said some days ago, the RCMP has been asked to make certain inquiries into allegations that have been made. There is also a responsibility upon the province of Ontario in connection with infringement of the Criminal Code. My colleague, the Minister of Justice, is in touch with the province of Ontario to discuss the respective responsibilities.

Mr. Stanfield: A supplementary question. In light of the very serious charge that has been made which is to the effect that the SIU bragged that "we have a senior cabinet minister in our pocket"—

Some hon. Members: Oh, oh!

Mr. Stanfield: —am I to take it for granted that the government will want to have an independent inquiry with regard to that in order to clear the reputation of the members of the government?

Mr. Sharp: Is the Leader of the Opposition associating himself with these statements? Is he taking the responsibility for these allegations?

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, I am taking notice of the fact that the charge has been made.

Mr. Sharp: By whom?

Mr. Stanfield: It has been made in the Ontario legislature and the statement has been attributed. As far as I am concerned, I thought the government would seize an opportunity to clear its name.

Some hon. Members: Hear, hear!

Mr. Stanfield: I simply wish to ask the Acting Prime Minister whether his government proposes to take any action with regard to clearing the slur that has been cast upon the members of the government.

Mr. Sharp: As I have just said, Mr. Speaker, the RCMP have been invited to investigate and are investigating any allegations that affect the reputation of federal officials or federal ministers. That is what they are now doing. The Minister of Justice is talking with the province of Ontario about the question involving the Criminal Code for which they have the responsibility of prosecution. If the Leader of the Opposition wants to make a charge that could be investigated here, let him make it.

Some hon. Members: Hear, hear!

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—DATE WHEN MINISTER OF LABOUR LEARNED OF TAPPED TELEPHONE CONVERSATION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I have a supplementary question.

An hon. Member: Two will get you three.

Some hon. Members: Hear, hear!

Mr. Lawrence: Because the Minister of Labour seems either unwilling or unable to make a voluntary statement in respect of these unfortunate allegations—

Some hon. Members: Oh, oh!

Mr. Lawrence: —can he tell us today the date on which he first learned that an alleged telephone conversation between himself and the president of the SIU was tapped by the Metro Toronto police?

● (1420)

Hon. John C. Munro (Minister of Labour): On a question of privilege, Mr. Speaker. The hon. member says I refused to make a statement. That is utterly unfounded. I was the first—

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): Many members on both sides of the House were in this chamber a week ago last Thursday when I was the first to stand up and say that, after learning of these charges which had been made by this member of the Ontario Legislature I had asked the RCMP to investigate.

An hon. Member: Answer the question!

Mr. Munro (Hamilton East): I made several statements which any hon. member was free to note by reading the papers at that time.

Mr. Speaker: Order. With all respect to the minister, a suggestion was made as part of the question and the hon. gentleman has now refuted the preamble to the question, more, I think, as an answer to the question than as a question of privilege. I do not like to see this done by way of points of order or questions of privilege. I wonder if the minister would wish to address himself to the part of the question which remains as to knowledge about the tapping of the telephone.

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

Mr. Hees: Let him answer.

Mr. Lawrence: I think the minister was rising on a point of order and directing himself to what he thinks were unwarranted allegations of mine in the first part of the question. In my view, the minister has not answered the question and I understand he now desires to answer it, in which case I might have a supplementary to ask.

Mr. Munro (Hamilton East): Yes, Mr. Speaker. With respect to the second part of the question, as the President of the Privy Council has indicated, I asked for an investigation by the RCMP. We have had, the Solicitor General has had an interim report from the RCMP.

An hon. Member: Answer the question!

Mr. Munro (Hamilton East): I am answering it but I want to be accurate in what I say. This interim report contained among its revelations the wire tap conversation between myself and Roman Gralewicz. I think I became aware of that some time last Monday afternoon.

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—KNOWLEDGE OF MINISTER OF LABOUR OF INVESTIGATION WHEN CAMPAIGN CONTRIBUTION RETURNED

Mr. Allan Lawrence (Northumberland-Durham): My final supplementary concerns the money apparently returned to the President of the SIU. Will the minister confirm he had no knowledge of any police investigation into matters relating to the SIU, and specifically to his own election campaign funds, at the time he returned those moneys?

Hon. John C. Munro (Minister of Labour): At the time I returned the moneys to the SIU, I was aware generally that they were the subject matter of controversy. I made a value judgment as perhaps any hon. member of this House would. I am sure we all receive donations from corporations and perhaps from unions. I made a judgment that because there was controversy surrounding it, although I was not aware of the nature of the controversy, I thought it might be misunderstood if I kept this particular contribution and it was for this reason I returned it, not because I thought it was improper for any member of the House—

An hon. Member: But you are the Minister of Labour!

Mr. Munro (Hamilton East): Well, any minister of labour in the country might be suspect, then, having received moneys from a union to finance a campaign. If every member of the House is to be subjected to innuendo because of campaign contributions received at election time, perhaps we should all go before the Committee on Privileges and Elections.

Some hon. Members: Hear, hear!

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—DATE WHEN ROYAL CANADIAN MOUNTED POLICE BEGAN INVESTIGATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Solicitor General. In view of the fact that the attorney general of Ontario is reported to have said that he sent to the federal Minister of Labour ten sworn affidavits regarding SIU violence, could the Solicitor General inform the House at what precise time the investigation into this situation was begun by the RCMP?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I am not aware of these affidavits having been sent to the Minister of Labour. The first and only time since I have been Solicitor General that I was requested to investigate the SIU was last week, following the allegations of Mr. Shulman. Following those allegations, the Minister of Labour asked me to approach the RCMP about having a full investigation into those allegations, and they have been investigating ever since.

Some hon. Members: Oh, oh!

Mr. Allmand: If hon. members on the other side have questions I will answer them, but I guess the best they can do is laugh. As I was saying, Mr. Speaker, the only time I was asked to have the RCMP investigate the SIU was last week, and they have been investigating ever since. I have received an interim report and the investigation is continuing. I have no knowledge of the ten affidavits.

ALLEGATIONS AGAINST THE SEAFARERS' INTERNATIONAL UNION—DISPOSITION OF TEN AFFIDAVITS SENT MINISTER OF LABOUR CONCERNING VIOLENCE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct a supplementary question to the Minister of Labour. If what the Solicitor General says is true—and I have no reason to doubt it—and he did begin the investigation last week, would the Minister of Labour explain to the House why he has not yet sent to the Solicitor General these ten sworn testimonials which were sent to him by the attorney general of the province of Ontario concerning violence by this union?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker, I can answer that. To my knowledge, the only reason they have not been sent is that I have not received them, and I am not aware that anybody else has received them. The RCMP investigation is carrying on and perhaps this will bring them forward. In the meantime, as the President of the Privy Council indicated, the Minister of Justice has been in touch with his counterpart in the province, and presumably through that contact we might obtain possession of these particular affidavits. They have not come at this time. I would welcome their coming, but at this time they have not come to my attention. I hope that the hon. member will accept this. I wish they would come. I should like to see them from the point of view of determining whether I should advise my colleague that some sort of further investigation other than the one already being carried on is warranted.

Mr. Speaker: The hon. member for Oshawa-Whitby on a final supplementary.

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—REQUEST FOR INDUSTRIAL INQUIRY COMMISSION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in view of the precedent set by the appointment of Justice Norris as an industrial inquiry commissioner in 1962 to investigate waterfront violence and the role of the SIU specifically, and in view of the serious evidence, of which we are all now aware, of current violence on the waterfront, will the minister appoint another industrial inquiry commission immediately?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I think the hon. member would agree that there was instituted, within a very short time after these allegations were made, an RCMP investigation. I believe it is important that we get the results of this RCMP investigation and then make a judgment as to whether any type of further investigation of the nature suggested by the hon. member is warranted. I am just waiting for further revelations to come from the RCMP investigation, and I will keep this House, including the hon. member, fully informed.

* * *

CONFLICT OF INTEREST

ACCEPTANCE OF CAMPAIGN CONTRIBUTIONS FROM UNION WHICH IS UNDER JURISDICTION OF MINISTER—GOVERNMENT POSITION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Acting Prime Minister. Is it the opinion of the government that it is satisfactory practice for a member of the government to accept campaign funds from a union, the operations of which come under his jurisdiction as minister?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as the Minister of Labour has said, we are going to have an investigation into all sorts of campaign contributions. Whether there is some reason that we should accept some and not others, let us make it general and not point the finger at any particular minister.

● (1430)

Mr. Hees: Mr. Speaker, of course the acting Prime Minister did not answer the question, so I will repeat it. Does the government consider it is proper practice for a minister to accept campaign contributions from a union, the operations of which come under his jurisdiction as the minister? This has happened and I am asking for the opinion of the government.

Mr. Sharp: Mr. Speaker, I think this same question might be put to my hon. friend. When he was the Minister of Transport did he receive contributions from corporations?

Some hon. Members: Hear, hear!

Mr. Hees: Mr. Speaker, I am very glad to answer that question. When I was a minister of the government I did not accept campaign contributions from corporations or unions.

Some hon. Members: Oh, oh!

Mr. Hees: Mr. Speaker, when I was the Minister of Transport I divested myself of any investments I had in transportation companies, and when I became the Minister of Industry, Trade and Commerce I divested myself of all investments and put every cent I had into government bonds.

Some hon. Members: Hear, hear!

Mr. Hees: Has the minister any other questions he would like answered?

An hon. Member: Why don't you answer the question he asked.

Mr. Hees: I did answer the question.

An hon. Member: No you didn't.

Some hon. Members: Oh, oh!

Mr. Hees: Mr. Speaker, I rise on a question of privilege. I have been accused of not answering the question. I did answer the question. I was asked whether I had received contributions from corporations or unions when I was a minister of the Crown. My answer was: No, I did not.

Some hon. Members: Hear, hear!

[Mr. Hees.]

LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—POSSIBLE INTERROGATION OR SIGNING OF STATEMENTS BY MINISTER OF LABOUR DURING POLICE INVESTIGATION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, during the investigation which has been taking place by the RCMP has the Minister of Labour been interrogated or interviewed by members of the RCMP, and has he sighed any statement in reference to matters that would concern him in the investigation?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, in respect of the SIU investigation by the RCMP, I have no way of knowing, nor should I know, the degree to which the RCMP, have investigated allegations against myself. I have no control over the RCMP, nor should I have such control. I have looked at the interim report.

An hon. Member: Is that a public report?

Mr. Munro (Hamilton East): I indicated earlier that I had seen the interim report which indicated certain material, the nature of which I have already revealed, in terms of the tape and so on, but nothing with reference to myself. I might add that the only charge which has been made in respect of myself is the charge by the member of the Ontario legislature which indicated that officials had been bribed. He did not name them. Then last night he said he did not mean bribery, he meant that certain officials were "cozy", so that is a little different situation in that particular context.

While I am on my feet, Mr. Speaker, let me quite clearly indicate that I do not believe there should be so much sanctimony shown here with regard to campaign contributions. There are ministers and there are members on both sides of this House who have received campaign contributions from corporations.

An hon. Member: We are not Ministers of Labour.

Mr. Munro (Hamilton East): It is no more improper for me to receive contributions from unions than it is for hon. members to receive contributions from companies.

Some hon. Members: Hear, hear!

Mr. Woolliams: Mr. Speaker, perhaps the minister is a little upset and did not understand my question which was a very simple one. During the investigation by the RCMP, which the Solicitor General dealt with today, the interim report of which the minister had read, was the minister of Labour interviewed by the RCMP, himself personally, in reference to this matter, and did he sign a statement prior to the investigation, or subsequent to it?

Mr. Munro (Hamilton East): Mr. Speaker, the answer to both questions is no. In answer to the first question let me say that I would welcome an interrogation by them at any time they wish to conduct one.

Some hon. Members: Hear, hear!

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

ACCESS OF CITIZENS TO THEIR FILES—GOVERNMENT POSITION

Mr. Eudore Allard (Rimouski): Mr. Speaker, I wish to direct a question to the Solicitor General.

Is he considering the possibility of introducing a bill similar to that adopted in the United States two weeks ago to allow Canadian citizens to verify and, if necessary, correct their files with the Royal Canadian Mounted Police.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, once I have examined the legislation introduced in the United States, I shall be able to reply to the hon. member.

* * *

[*English*]

LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—REASON FOR FAILURE OF SOLICITOR GENERAL TO DISCLOSE CAMPAIGN CONTRIBUTION FROM UNION BEFORE ORDERING INVESTIGATION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a question and possibly a supplementary for the Solicitor General, and my first question is directed to him in his capacity as the minister responsible for overseeing the investigation by the RCMP into Dr. Shulman's allegations. Why did he not disclose his connection with the SIU and the fact that he was not a disinterested party at the time he initiated this inquiry instead of waiting until after these facts were disclosed in a Toronto newspaper, and until after he had made a number of public statements—on the matter?

Hon. Warren Allmand (Solicitor General): To begin with, Mr. Speaker, I think I should point out to the House that I do not conduct investigations. They are carried out by the RCMP. The RCMP carries out hundreds and perhaps thousands of investigations each week without ever approaching me. Sometimes people ask me to request the RCMP to conduct an investigation. When that happens they conduct them completely independent of myself. I repeat, I do not conduct these investigations; I am not in charge of them and I do not have a veto in respect of such investigations.

As far as the nature of this matter is concerned, I think I was the first to reveal the fact that I received a donation from the SIU.

An hon. Member: No, it was in the Toronto *Sun* yesterday.

Mr. Allmand: I revealed it, I think the day before. I forget exactly when I revealed it. Of course, if I had been asked in the House I would have revealed it here.

Some hon. Members: Oh, oh!

Mr. Allmand: As far as I am concerned, whenever I was asked to reveal information I did so. I never made any attempt to hide it at any time.

Some hon. Members: Hear, hear!

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—REQUEST FOR TABLING OF INTERIM REPORT OF ROYAL CANADIAN MOUNTED POLICE

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I would refer the minister to section 5 of the RCMP Act which says that the Commissioner acts under the direction of the minister. Now that the Minister of Labour has indicated that the interim report of the RCMP had been shown to him in respect of the nature of this charge, is the minister prepared to table that report in the House so that hon. members may be able to consider it and satisfy themselves as to the nature of it?

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker. I have shown the transcript of the tape to certain members of the government, and I discussed it with the Prime Minister as it was my responsibility to do so. This is not a report that should be tabled in the House. I showed certain aspects of the report to the Minister of Labour to determine whether he was in fact involved in such conversations, and he admitted that he was. In some way or other this tape has been given to this member of the Ontario legislature and others. How this happened I do not know. It was a tape made by the Toronto Metropolitan Police, but as far as I am concerned it is not something that should be tabled in the House.

* * *

FISHERIES

NOVA SCOTIA—REQUEST GOVERNMENT SUBSIDIZE PART-TIME FISH PLANT WORKERS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a very urgent question which involves both the Minister of Fisheries and the Minister responsible for the Unemployment Insurance Commission. In view of the fact there is not enough fish being landed to ensure employment on other than a part-time basis for fish handlers and packers in Nova Scotia, will the minister undertake to assure these fish plant workers that the government will make up the difference between their present earnings and the minimum amount available to the unemployed workers before the whole industry closes down and all fish handlers find it necessary to seek full unemployment insurance benefits?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, two of my officials are in the maritimes today discussing this very problem of the adequate throughput to support operations of plants. I shall, of course, be answering the hon. member's question when I get that information.

Oral Questions

● (1440)

ALLEGED VIOLATIONS OF ICNAF QUOTAS BY BRITISH FISHING VESSELS—GOVERNMENT ACTION

Hon. Roméo LeBlanc (Minister of State (Fisheries)): While I am on my feet I would like to answer a question asked by the hon. member yesterday. I believe the boardings of the United Kingdom fishing vessels by the United States coastguard referred to by the hon. member occurred in September of this year. U.S. coastguard vessels found six U.K. vessels fishing in apparent violation of ICNAF haddock regulations in the Georges Bank area. These apparent violations were reported to United Kingdom authorities through regular channels. This matter was also raised by the United States at the recent ICNAF meeting in Miami. The delegate from the United Kingdom at the meeting was extremely concerned that these violations had apparently occurred. The United Kingdom delegate emphasized the importance which they attached to their fishermen being informed of and abiding by all ICNAF regulations. He stated that as soon as sufficient evidence had been obtained, the United Kingdom authorities would proceed with the prosecution of those who had violated the law.

* * *

FINANCE

PROCEDURE FOR REMISSION OF SALES TAX ON HEAVY TRUCKS AND EFFECTIVE DATE OF SPECIAL TAX ON HEAVY CARS

Hon. Marcel Lambert (Edmonton West): My question is for the Minister of Finance. In light of the fact that the budget bills will not follow through this week or next week, would the minister indicate to the House what procedures will be followed for the remission of the sales tax on heavy duty trucks, and also answer the question raised by my colleague, the hon. member for Huron-Middlesex with regard to the effective date of purchase in the case of the special tax for heavy cars.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, in answer to the first part of the question, I will be seeking an order in council from the Privy Council under the Financial Administration Act to remit the sales tax on tax paid inventory for heavy duty trucks and other heavy transportation equipment, in accordance with the answer I gave in the House and the press release I issued subsequent to my answer to the hon. gentleman's colleague.

In answer to the second part of the question, the sales tax of course is imposed effective on budget night. It depends very much on the date of the contract of sale of individual items as to whether the tax is imposed or not, and, as I said to the hon. gentleman, when we get to committee of the whole I will be glad to get into more detail on that.

Mr. Lambert (Edmonton West): In view of the fact that discussion may be deferred for some weeks, perhaps the minister would consider making it abundantly clear so that the trade and individuals concerned would know where they stand.

[M. LeBlanc (Westmorland-Kent).]

Mr. Turner (Ottawa-Carleton): The hon. gentleman may well have a point and I will look into it.

REQUEST FOR RECONSIDERATION OF TAX ON PLEASURE BOATS

Mr. W. C. Scott (Victoria-Haliburton): My question deals with the matter of the 10 per cent additional sales tax on pleasure boats and on motors in excess of 20 horse power, and it is directed to the Minister of Finance. In view of the many complaints from boatbuilders and marina operators that this new tax will do untold damage to the tourist and boatbuilding industries, would the minister assure the House that he will reconsider his proposal to impose this tax?

Hon. John N. Turner (Minister of Finance): I cannot give that assurance, but obviously it will be a topic of conversation before committee of the whole.

* * *

ENERGY

REQUEST FOR STATEMENT OF GOVERNMENT POSITION ON EXPORT OF FISSIONABLE MATERIAL

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Acting Prime Minister. In view of recent statements by cabinet ministers that government policy on safeguards regarding the export of nuclear fuel and technology is in the final stages of preparation, will the minister assure the House that every consideration is being given to limiting the export of fissionable materials to only those countries which have signed the nuclear non-proliferation treaty?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as the Prime Minister said the other day in answer to a similar question, the matter is under consideration in the cabinet and has been now for a couple of weeks. This is one of the conditions that might be attached, but no final decision has been made. The matter is a very complex one. I only wish it could be settled as simply as that.

Miss MacDonald (Kingston and the Islands): In view of the fact that an agreement to supply France with enriched uranium from the James Bay area is under discussion, and in view of the fact that the Prime Minister said in reply to a question of mine last week that he had conveyed the position of his government on the export of such fissionable material to the premier of Quebec and to the premier of France, will the Acting Prime Minister now convey to the House the government's position with regard to the export of enriched uranium?

Mr. Sharp: The whole question of the export of fissionable material, of nuclear reactors and so on, is under consideration now. As soon as we have reached a decision, we will make it public. The position on the export of fissionable material is long standing. When I was minister

of trade I had the responsibility of denying the export of fissionable material to France at that time.

Miss MacDonald (Kingston and the Islands): I have a final supplementary question, Mr. Speaker. Could the minister say why it seems proper for the government to communicate its intention to the government of Quebec or the government of France and not to the people of Canada?

Some hon. Members: Hear, hear!

Mr. Sharp: I am sure that if we had not given a satisfactory explanation to the government of Quebec, which apparently now intends to consider a contract with France, we would have been derelict in our duty.

* * *

LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—TERMS OF REFERENCE OF ROYAL CANADIAN MOUNTED POLICE FOR INVESTIGATION

Mr. Les Benjamin (Regina-Lake Centre): I should like to address further questions to the Solicitor General, but before doing so I should like to let him know that I also was proud to receive contributions for my campaign from trade unions.

Some hon. Members: Hear, hear!

An hon. Member: I didn't know you were a minister.

Mr. Sharp: There is a definite conflict of interest here.

Mr. Benjamin: I am sure that members of the House accept the word of the Minister of Labour.

I would ask the Solicitor General whether he could tell the House what the terms of reference were for the RCMP when he requested them, at the request of the Minister of Labour, to make an inquiry. Did the terms of reference include an inquiry into political contributions or an inquiry into violence in SIU or any other matters?

Hon. Warren Allmand (Solicitor General): When I approached the commissioner of the RCMP I asked him to investigate allegations made by Mr. Shulman with respect to the SIU and impropriety by certain federal officials. At the same time, the deputy minister of labour had also made a request through one of his officials, and the commissioner of RCMP then decided he wanted the request in writing. So the deputy minister of labour made the request in writing to the commissioner. There were, therefore, two requests to the commissioner. I do not have details of that latter request before me now. I was told later by the commissioner of RCMP that so far as violations under the Criminal Code were concerned, that was within the jurisdiction of the government of Ontario, but that the RCMP could investigate corruption or bribery with respect to federal officials. That is what they are investigating now.

Mr. Benjamin: I take it then from the minister's answer that the terms of reference of the RCMP are only in respect of allegations regarding possible corruption or bribery attempts and not violence of the SIU. If the minister feels that that is something the Ontario government should look into, may I ask him, in view of the fact that an RCMP inquiry of this nature is internal in the sense that it is under the government and an internal matter, whether he does not feel able to make public any interim or final report. I am trying to be helpful, Mr. Speaker. In order to make it easier for the minister, his colleagues and everybody else in the chamber, would he agree to some kind of public inquiry in which findings of the RCMP investigation and other information would be brought out?

Mr. Allmand: We certainly have not decided against such a suggestion, but since we presently have a police investigation going on under the RCMP I think we should wait for some kind of report from the RCMP.

Mr. Brewin: Who judges the report?

Mr. Allmand: As with all police investigations, if the RCMP have any evidence collected, they will lay charges and prosecute. If they do not have enough evidence to prosecute then there may be grounds for having a public inquiry, but there is a police investigation under way now. Following the police investigation there may have to be a public inquiry.

● (1450)

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—REASON FOR SHOWING INTERIM REPORT TO MINISTER OF LABOUR—REQUEST FOR INDEPENDENT COMMISSION OF INQUIRY

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, a supplementary question to the Solicitor General. Could the minister tell the House whether it is normal practice to show an interim report on an RCMP investigation to persons mentioned in that report and if not, why was an exception made in the case of the Minister of Labour?

Hon. Warren Allmand (Solicitor General): I do not know if it is normal practice, Mr. Speaker. This is the first time I have been confronted with this sort of thing. I was asked to discuss it with the relevant ministers and the Prime Minister and I did just that.

An hon. Member: By whom?

An hon. Member: Who asked?

Mr. Allmand: I was asked—I reported to the Prime Minister with the Minister of Labour.

Mr. Clark (Rocky Mountain): Mr. Speaker, since this extraordinary action has been taken in this case—

An hon. Member: Who says so?

Some hon. Members: Oh, oh!

Mr. Clark (Rocky Mountain): —this extraordinary action of showing to a person mentioned in an interim report, simply because he happens to occupy the privileged position of minister of this cabinet—since that extraordinary action has been taken by the government in this matter, and I direct this question to the Acting Prime Minister—why does the government continue to refuse to

have an independent inquiry into this matter so that we will know and the public of Canada will know that the results are going to be made available to all interested parties, which is to say this parliament, and not just the people who happen to be mentioned or involved in the investigation?

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think it is very important in the conduct of government that before inquiries of this kind are launched there should be a basis of fact and not just simply charges and innuendo put out by somebody who is not a member of this legislature. That is what we are doing. We are now asking the police to investigate the facts. If they find there are sufficient grounds for a prosecution, it will be launched. If there is not and the police believe an investigation is necessary we will follow that advice. Even if the police report were of such a character that we felt it desirable to have a public inquiry we would do so. I am sure all members of the House would believe it is better to have a foundation of fact than it is to have a foundation of gossip.

Mr. Speaker: The hon. member for Winnipeg North Centre on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. When the hon. member for Oshawa-Whitby asked the Minister of Labour if he would make provision for an industrial inquiry commission to go into the question of waterfront violence, the minister's reply was that this should wait until the current investigation by the RCMP had been completed. My point of order, Mr. Speaker, is that since that answer was given it has been made clear that the RCMP investigation is only into the allegations regarding certain individuals and not into the question of waterfront violence. I wonder, therefore, if the Minister of Labour should not now be given a chance to answer the question about an inquiry into the broader subject, that of waterfront violence.

Mr. Munro (Hamilton East): Mr. Speaker, I have already indicated that I first asked for the investigation by the RCMP with respect to allegations made against officials. It was a very wide sweeping statement first made by the author and I felt this was the only way it could be clarified one way or another, to have this type of investigation and that included politicians, ministers and all officials in the broader context. My colleague, the Solicitor General has indicated that. He also indicated that the RCMP came back during the course of last week and indicated that they felt with respect to the charges of violence that it was a matter for enforcement of the Criminal Code and fell within the jurisdiction of the province.

An hon. Member: That is nonsense.

Mr. Munro (Hamilton East): You may feel it is nonsense and you have a right to that opinion. Let me state what I know to be a fact today. The responsibility for enforcement of the Criminal Code falls within the provinces. As the President of the Privy Council has indicated, the Minister of Justice has contacted his provincial counterpart to see if this type of material, allegations of wrongdoing, violence, and so on could be forthcoming and with this as a base we could form a judgment as to whether some type of inquiry is warranted. That is going on right now.

While I am on my feet, Mr. Speaker, I should like to indicate in terms of what I think an implication was about interim reports of the RCMP being revealed to me, that I will have to come to a judgment as I suppose every member of government will have to at some stage, as to whether a full type of inquiry in addition to what is going on in terms of the police investigation, is warranted. Naturally, if I have to assume that responsibility I see the reports.

An hon. Member: Nonsense.

Mr. Munro (Hamilton East): My only answer to this is that I have no control over the reports. They are RCMP reports. The RCMP, when it has the material, can decide to lay charges at any time without any suggestion from the government of any kind. Knowing the integrity of the RCMP I trust they will continue to take that posture.

Mr. Broadbent: Mr. Speaker, a point of order.

Mr. Speaker: Order, please. The hon. member for Winnipeg North Centre raised what was obviously a supplementary question on the basis of a point of order. The minister has made his contribution to the same point of order with what was obviously an answer to the supplementary question. There is the right of course for hon. members to pursue vigorously a topic of this kind. There is no question about that, and balanced against that are the rights of other members who have other questions. I only ask if hon. members want to pursue the matter that they do so by way of questions if indeed questions they have, and not under the guise of points of order.

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—REQUEST FOR TABLING OF INTERIM REPORT OF ROYAL CANADIAN MOUNTED POLICE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have one question arising out of what the minister said. I listened to him very carefully but there was a little noise. I thought he quoted from the police report that he had seen. I use as my precedent the occasion when a former solicitor general quoted from certain letters dealing with the case in which Carmen Perrault was mixed up, the Geoffroy case. I raised that with the former Speaker. The Speaker of that day ordered the former solicitor general to file the documents. Now that the minister has quoted from the report, and I think he did that, I think the investigation by the RCMP which has been shown these people should now be laid before the House of Commons by an order of the Speaker.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, on the same point of order. I did not quote from the document and I think that any examination of the record will show that. I do not believe it is proper—

An hon. Member: That's right. It certainly is not.

Mr. Munro (Hamilton East): —to quote from the report. I think that is a matter for the RCMP in their normal investigation methods—

An hon. Member: Normal?

Mr. Munro (Hamilton East): —because I have a responsibility to determine—

An hon. Member: Whether you should be investigated.

Mr. Baker (Grenville-Carleton): That is the most dreadful reasoning I have ever heard.

Mr. Munro (Hamilton East): No, no, I have a responsibility to determine whether an inquiry should be held.

An hon. Member: Where is your sense of values?

Mr. Speaker: Order, please. The hon. member for Calgary North raised what is a legitimate point of order. He suggested that because a report was quoted from it must be tabled. If indeed a minister of the Crown has quoted from a report or document which is in possession of the ministry, there is clear precedence that it must be tabled. My recollection of the remarks of both the Solicitor General and the Minister of Labour, however, is that they made reference to the existence of the report but did not quote directly from it. Therefore, as I understand the precedent, they will not be required to table the report under the circumstances.

Mr. Lang: Mr. Speaker, I should like to take the immediate opportunity, since members are insisting on being very precise in regard to certain matters, to point out that earlier in the discussion in the question period the President of the Privy Council indicated that there had been contact between my officials or that I had asked for contact by my officials with those in the counterpart department in the provincial government. The Minister of Labour inadvertently referred to direct contact between myself and the Attorney General. I want to make clear to the House that that in fact has not taken place.

● (1500)

It is rather extraordinary that no one, so far as I know, in the provincial administration of justice, which is the only administration with jurisdiction over such matters as criminal violence, sought in any way the assistance of those in the federal jurisdiction in these matters. That should have been, I would think, the ordinary way of going about this if those concerned want assistance instead of seeking a public answer on this matter.

Mr. Brewin: Mr. Speaker, I rise on the point of order raised by the Minister of Justice. The Minister of Justice raised a point of order, in the course of which he asserted that the matter in question was one within provincial jurisdiction. I ask, is it not abundantly clear that violence on the waterfront falls directly within federal jurisdiction, as the Norris commission inquiry clearly indicates.

Mr. Lang: Mr. Speaker, it should be clear to members of the House that, although the federal parliament enacts the criminal law, it has been the long standing tradition that matters which arise under the Criminal Code fall within the administration of justice, the enforcement of which has been delegated, under the Criminal Code, to provincial attorneys general. Let me make the point that provincial attorneys general have been very jealous about their function in the administration of justice which has been delegated to them.

In any matter involving violence, fraud or an offence coming under the Criminal Code, the ordinary initial investigation and pursuit of the matter comes within the competence and jurisdiction of the provincial attorney general. Of course, if that provincial attorney general finds it impossible to complete the investigation or if he finds that he cannot get the co-operation of other provincial attorneys general, then we stand more than ready to help. I only suggest that in such circumstances it would be well if the provincial attorney general would communicate such request to us, instead of responding publicly to invitations held out by an NDP member in the provincial legislature or making statements in the press.

Mr. Lawrence: Mr. Speaker, I rise on the same point of order. When the Minister of Justice attempts to slough this matter off on the province, as he has just now done—

Some hon. Members: Oh, oh!

Mr. Lawrence: —and when he attempts to indicate that the provincial attorney general has not sought his help, and those were his words, or the assistance of the federal government in this matter, Sir, may I, through you, suggest to him that this matter falls exclusively within the jurisdiction of the federal government. Obviously, that is why provincial attorneys general would not seek federal assistance. They believed that these matters, which encompass far more than the territorial jurisdiction of one province, fall solely and exclusively under federal jurisdiction.

Mr. Fairweather: Mr. Speaker, I rise on the same point of order. I think everybody here is getting self-righteous, and I want to be self-righteous and suggest to the Minister of Justice that it is a pity he does not follow his own sensibilities about the administration of justice when he lectures the ministers of justice of the provinces about abortion law.

Mr. Speaker: Order, please. I will endeavour to hear all hon. members who want to contribute on the point of order, although I have grave reservations as to whether it is a valid point of order. I have heard several hon. members and several more want to contribute. If I hear some, it is only fair that I should hear all who want to make a contribution. I remind hon. members that our proceedings were interrupted by the point of order. We were in the process of coming to the hon. member for Rocky Mountain for a final supplementary. I think, in the interests of the question period and the orderly conduct of the House generally, that we should return to that point as quickly as possible. The Chair recognizes the hon. member for Lanark-Renfrew-Carleton on a point of order.

Mr. Dick: Mr. Speaker, there seems to be some divergence of opinion between the two ministers concerned. I wonder if the ministers could resolve it. The Solicitor General indicated that the administration of justice falls

within the jurisdiction of the provinces and that therefore matters of violence, which are dealt with under sections 244, 245 and 246 of the Criminal Code should be dealt with by provincial attorneys general; on the other hand, it is suggested that offences falling under sections 108, 109 and 110 of the Criminal Code, to do with fraud, bribery of officials, breaches of trust by public officials and influencing or negotiating appointments, meaning influence peddling and bribery—and he used the word bribery—should be investigated through his department. Why are both categories of offence not dealt with by the same agency, either by the province or by his department.

Mr. Speaker: Order, please. I want to make sure I have heard from all hon. members who wish to contribute. The Chair recognizes the hon. member for Oshawa-Whitby.

Mr. Broadbent: Mr. Speaker, may I raise what will be, I hope, a final point of order. It has to do with the contact which has or has not taken place between the federal government and the government of Ontario. The Minister of Justice just told the House that he received no requests from the government of Ontario for an investigation of this matter. Is he saying that that request did not come from the government of Ontario? Did he not receive that request from the Minister of Labour? I was informed that on November 19 the Minister of Labour obtained a specific request from the attorney general of the province of Ontario to have this matter investigated. Did the Minister of Labour not request the Minister of Justice to look into this?

Mr. Lang: Mr. Speaker, he did not. The investigation which followed that contact was in relation, I think, to matters which were followed up through the police. I should say in reply to the further question asked that prosecutions involving employees within the federal field, and criminal cases closely touching the federal government, fall within the jurisdiction of provincial attorneys general. That is our policy. Because such cases closely touch the government itself, we naturally take steps on our own initiative to investigate complaints. If they come to anything, or if it appears that anything is substantially wrong, the case goes into the hands of the provincial authority in ordinary circumstances.

As well, in cases not involving federal governmental people but involving people coming under the broad jurisdiction of parliament, the Criminal Code clearly calls for investigation and pursuit, under existing conditions, to fall within the ambit of provincial attorneys general. Provincial attorneys general have been extremely jealous about any interference or alteration of that course. At the same time, perhaps this House might consider whether some further matters ought to be administered by the attorney general, federal, rather than by the attorney general, provincial. As matters now stand, when a matter involves violence or an offence which would lead to a criminal charge against a non-governmental person, that matter falls squarely within the jurisdiction of the provincial attorney general.

Mr. Baldwin: Mr. Speaker, I rise on the same point of order. Does the Minister of Justice not agree that widespread and general allegations of beatings, violence and intimidation concerning a national union, have national ramifications which affect a national industry and that this should justify federal intervention in the form of an inquiry?

Mr. Speaker: Order, please. Before the minister answers that question, as by his rising he shows he intends to do, I think the Chair should make it clear that, as an hon. member raised by way of point of order a question which he felt ought to have been put, but which was not—and that was not a point of order—so in this case, the House is considering a point of order which began when the minister made to the House an answer to a question which he had hoped, I suppose, would be asked during the question period but which was not asked; that, too, was not a point of order. We have now clearly arrived at the point at which we ought to have arrived in the first place. We should simply continue the question period and hear questions of members and answers from ministers. I do not know why the guise of a point of order was ever used in either instance. I have some difficulty in understanding that. I again ask hon. members to apply themselves to questions during the question period. The hon. member for Peace River asked the minister a question, which the minister was about to answer.

Mr. Lang: Mr. Speaker, I think if the matter falls within provincial jurisdiction, then, naturally, we would draw it to the attention of provincial authorities. What the hon. member has referred to, however, as widespread allegations—and the point in question concerns what are allegations, have come to our attention through the press. The person who apparently has some information in his possession is drawing it out day by day before the Ontario legislature and not even placing it fully before the provincial authorities. As far as we are concerned, we read about it in the press as he day by day reveals more of his supposed rabbit which turns out not to be a rabbit at all.

● (1510)

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—PERSON WHO DIRECTED SOLICITOR GENERAL TO SHOW INTERIM REPORT TO MINISTER OF LABOUR

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my supplementary is to the Solicitor General who earlier in the question period indicated he had been directed to take this extraordinary step to make the interim report of the RCMP available to his colleague, a minister who was involved in that report. Can the Solicitor General advise who gave him that direction? Was it the Minister of Labour and will the Minister of Labour be part of the group which assesses the RCMP reports and makes the decision as to whether there should be a public investigation into activities which include activities of the Minister of Labour?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I do not think I said I was directed.

Some hon. Members: Yes.

Mr. Allmand: I said I made it available. I made it available to the Prime Minister. If I recall correctly, I initiated the move to see the Prime Minister and Minister

of Labour about it. The hon. member keeps speaking about this case as if the Minister of Labour were an accused. The Minister of Labour is the one who asked me to initiate the investigation with the RCMP.

Some hon. Members: Hear, hear!

Mr. Allmand: He asked for the investigation. The Deputy Minister of Labour asked for an investigation. I decided to show the interim report, which was not a police report but an interim report in the form of a letter, to the Prime Minister and the Minister of Labour.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I should have preferred advising the Chair of my intention of raising the question of privilege, as requested by the Standing Orders, but before doing so I wanted to check in *Hansard* for yesterday the oral question I put concerning the exportation of cereals stored in eastern elevators.

A copy of *Hansard* was given to me by an employee of the Commons just before I came into the House, that is around five minutes past two, I was unable to check it earlier and to advise the Chair of my intention of rising on a question of privilege. I therefore beg the Chair to understand my situation.

My question of privilege stems from the fact that the Chair felt that the question I put to the Minister of Justice yesterday, concerning feed grains and exports of cereals from eastern ports, would not be such as to harm the domestic market in eastern Canada, and that steps will be taken to prevent such exports being made to the detriment of the farmers in that area of Canada.

I looked very quickly in *Hansard* to find out whether the government had answered such a question asked by Quebec or Maritime members. I did not find any such question or answer. Since that situation occurred last year, I merely wanted to be assured by the minister that this would not happen again.

In addition, as a member from eastern Canada and more particularly from Quebec, I feel it is my duty to obtain that assurance from the minister responsible for feed grains in order to protect the interests of farm producers and consumers. Even if the strike of the grain inspectors has ended, can the minister responsible for the Canadian Wheat Board assure us that the domestic needs of eastern Canada will have priority and that the grain now stocked in eastern elevators will not be exported to the prejudice of our domestic needs?

[*English*]

Mr. Speaker: Order, please. The short and most direct answer I can give now is that, despite whatever merits the hon. member's presentation today may have, there scarcely can be any other way I could regard them except as a request in some way to reconsider a decision that I made during the question period yesterday. I gained the impression yesterday that the question he was asking at the end of the question period was basically the same question that had been asked by the Leader of the Opposition and by other members of that party supplementary to the question of the leader at the beginning of the question period. If by any shade of opinion the hon. member is concerned about that, I certainly cannot consider any reconsideration of that position. However, there is nothing to prevent the hon. member from posing that question at a subsequent question period.

Mr. Ellis: Mr. Speaker, I rise on a question of privilege. It requires an answer from the Solicitor General. Because of the long question of privilege preceding mine, the minister left the chamber. I would like to be recognized for the purpose of asking it tomorrow. My question of privilege is not only on behalf of myself because of an investigation that I underwent, but on behalf of any other member of the House who may well have been investigated. Why was an interim report not tendered to me or any other members who may have been mentioned?

Some hon. Members: Hear, hear!

Mr. Allmand: On the question of privilege, the other day the hon. member raised some questions. I said I would get the answers for him. I have the answers here. I do not know if I would be allowed to read them in the House. It appears that the hon. member for Hastings was not investigated as a possible accused, but was approached as a witness in a case. He was interviewed by the RCMP as a witness and not as an accused.

An hon. Member: What about the Minister of Labour?

Mr. Allmand: As I stated earlier, the Minister of Labour had requested an investigation. I was reporting to him and the Prime Minister. There were no allegations of any wrong-doing made against the Minister of Labour. If the investigation had been into the Minister of Labour, he would not have got the report.

Mr. Speaker: The hon. member for Hastings has raised a question of privilege to which the Solicitor General has made a very valuable contribution. In light of the difference between the two cases, I must hold that the hon. member for Hastings does not have a prima facie question of privilege.

● (1520)

[*Translation*]

Mr. Fortin: Mr. Speaker, I rise on a question of privilege that concerns the business of the House.

My colleague from Bellechasse (Mr. Lambert), was referring to pages 1883, 1884 and 1885 of *Hansard* for yesterday, and to his question, as reported on page 1890, dealing with feed grain, stating that the supply of feed grain for the eastern market must be given priority over exportation.

Your Honour ruled then, and I do not object to your decision, that this question had already been asked.

Yesterday was an opposition day, when most of the speeches were made in French, so that we have received the official report—and this occurs very rarely—after 2 o'clock, so that my colleague could not give notice he was going to rise on a question of privilege, as prescribed by the Standing Orders.

He raises the question of privilege at a time when the minister responsible for the Canadian Wheat Board (Mr.

Lang) is discussing with the Minister of Transport (Mr. Marchand) and is not sitting at his place. The Chair states that my colleague will ask his question some other day and my colleague remains unsatisfied while this is a matter of high priority and urgency.

Immediately after that, the hon. member for Hastings (Mr. Ellis), on a question of privilege similar to that of my colleague from Bellechasse, asks a question. Before the Chair has a chance to interrupt, the Solicitor General (Mr. Allmand) intervenes and answers the question.

Mr. Speaker, on behalf of my colleagues, I ask you to allow my colleague from Bellechasse to put his question not tomorrow but today, since we have asked only one question because there were so many points of order and abuses in the House today during the question period.

● (1530)

[*English*]

Mr. Speaker: I listened with interest to the questions of privilege raised by both hon. members and before making a decision in either case I was not only ready, but anxious, that anyone who wished to make any kind of intervention on the question should do so. The position is the same at the present time. If the minister wishes to make an intervention, he may do so.

Mr. Lang: Thank you, Mr. Speaker, for giving me this opportunity. I am glad to say that the Canadian Wheat Board will make every effort to ensure that the supplies which are required are available. There will be some difficult transportation problems this winter, and it will be important for everyone involved in the business of obtaining feed grains to do what they ought to do to get those grains and not rely on the help of the Wheat Board. However, when the chips are down and it is a matter of supplies, the position of the domestic market is, of course, held secure first.

GOVERNMENT ORDERS

[*English*]

FEDERAL BUSINESS DEVELOPMENT BANK ACT

MEASURE TO ESTABLISH CORPORATION

The House resumed, from Friday, November 29, consideration of Bill C-14, to incorporate the Federal Business Development Bank, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs; and motions Nos. 3, 2 (as amended), and 4.

Mr. Speaker: Order. I understand there is agreement that the House should proceed now to the taking of the deferred divisions with respect to several of the motions to amend Bill C-14. Call in the members.

● (1540)

And the Members having been called in.

[Mr. Fortin.]

Mr. Speaker: Order, please. Although there was some indication at the beginning of the discussion during the report stage on this matter about the grouping of the motions, I understand it was indicated during the course of that discussion that it would be preferable and more orderly to proceed first with the vote on motion No. 3, and, depending on the outcome of that vote, we would then determine what might be done with motion No. 2. Therefore, the question is on Motion No. 3 in the name of Mr. Stevens.

The House divided on Motion No. 3 (Mr. Stevens) which was negatived on the following division:

(*Division No. 8*)

YEAS

Messrs.

Alkenbrack
Allard
Andre
(Calgary Centre)
Baker
(Grenville-Carleton)
Baldwin
Balfour
Bawden
Beatty
Beaudoin
Benjamin
Blackburn
Brewin
Brisco
Broadbent
Caouette
(Villeneuve)
Carter
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Coates
Crouse
Dick
Dinsdale
Dionne
(Kamouraska)
Douglas
(Nanaimo-Cowichan-
The Islands)
Ellis
Elzinga
Epp
Fairweather
Forrestall
Fortin
Friesen
Gilbert
Gillies
Grafftey
Halliday
Hamilton
(Qu'Appelle Moose
Mountain)
Hamilton
(Swift Current-
Maple Creek)
Hargrave
Hees
Hnatyshyn
Hogan
Holmes
Horner
Howie
Huntington
Hurlburt
Jarvis
Johnston
Kempling
Knowles
(Winnipeg
North Centre)
Knowles
(Norfolk-Haldimand)
Korchinski
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Lawrence
MacDonald
(Egmont)
MacDonald (Miss)
(Kingston and the
Islands)
MacKay
MacLean
Macquarrie
Malone
Masniuk
Mazankowski
McCain
McCleave
McKenzie
McKinley
McKinnon
Mitges
Muir
Munro
(Esquimalt-Saanich)
Murta
Neil
Nowlan
Nystrom
O'Sullivan
Paproski
Patterson
Reynolds
Ritchie
Roche
Rodriguez
Saltsman
Schellenberger
Schumacher
Scott
Skoreyko
Smith
(Churchill)
Stanfield
Stevens
Stewart
(Marquette)
Symes
Towers
Wenman
Whiteway
Whittaker
Wise
Woolliams
Yewchuk—99

NAYS

Messrs.

Abbott
Allmand
Anderson
Andras
(Port Arthur)
Baker
(Gander-Twillingate)
Béchard
Blais
Blaker
Boulanger
Breau
Buchanan
Bussières
Cafik
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Daudlin

Messrs.

De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce)
Drury
Dubé
Duclos
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Flynn
Foster
Fox
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Herbert
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacFarlane
MacGuigan
Maine
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Martin
McIsaac
Milne
Morin (Mrs.)
Munro (Hamilton East)
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Pearsall
Pelletier (Sherbrooke)
Penner
Philbrook
Pinard
Portelance
Poulin
Railton
Reid
Roberts
Rooney
Roy (Laval)
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stewart (Cochrane)
Stollery
Tessier
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Watson
Young—114

● (1550)

Mr. Speaker: I declare the motion lost. Motion No. 3 having been defeated, is there a disposition in the House to deal with motion No. 2 on division? Is it the pleasure of the House to agree to motion No. 2 (as amended)?

Some hon. Members: Agreed.

Some hon. Members: On division.

Motion No. 2 agreed to on division.

Mr. Speaker: The next question is on motion No. 4.

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

(*Division No. 9*)

YEAS

Messrs.

Alkenbrack
Allard
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Balfour
Bawden
Beatty
Beaudoin
Benjamin
Blackburn
Brewin
Brisco
Broadbent
Caouette (Villeneuve)
Carter
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Crouse
Dick
Dinsdale
Dionne (Kamouraska)
Douglas (Nanaimo-Cowichan-The Islands)
Ellis
Elzinga
Epp
Fairweather
Forrestall
Fortin
Friesen
Gilbert
Gillies
Grafftey
Halliday
Hamilton (Qu'Appelle Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hnatyshyn
Hogan
Holmes
Horner
Howie
Huntington
Hurlburt
Jarvis
Johnston
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Lawrence
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacKay
MacLean
Macquarrie
Malone
Masniuk
Mazankowski
McCain
McCleave
McKenzie
McKinley
McKinnon
Mitges
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nowlan
Nystrom
O'Sullivan
Paproski
Patterson
Reynolds
Ritchie
Roche
Rodriguez
Roy (Timmins)
Saltsman
Schellenberger
Schumacher
Scott
Skoreyko
Smith (Churchill)
Stanfield
Stevens
Stewart (Marquette)
Symes
Towers
Wenman
Whiteway
Whittaker
Wise
Woolliams
Yewchuk—100

NAYS

Messrs.

Abbott
Allmand
Anderson
Andras (Port Arthur)
Baker (Gander-Twillingate)
Béchard
Blais
Blaker
Boulanger
Breau
Buchanan
Bussières
Cafik
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Daudlin
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce)
Drury
Dubé
Duclos
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Flynn
Foster
Fox
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Herbert
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacFarlane
MacGuigan
Maine
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Martin
McIsaac
Milne
Morin (Mrs.)
Munro (Hamilton East)
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Pearsall
Pelletier (Sherbrooke)
Penner
Philbrook
Pinard
Portelance
Poulin
Railton
Reid
Roberts
Rooney
Roy (Laval)
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stewart (Cochrane)
Stollery
Tessier
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Watson
Young—114

Mr. Speaker: I declare the motion lost.

● (1600)

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce) moved that Bill C-14, to incorporate the Federal Business Development Bank, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs be concurred in.

Motion agreed to.

Mr. Speaker: When shall the bill be read the third time?

Mr. Knowles (Winnipeg North Centre): Now, by leave.

Mr. Speaker: I understand that there may be a disposition in the House, with leave, to read the bill the third time now.

Some hon. Members: Agreed.

Mr. Gillespie moved that the bill be read the third time and do pass.

Motion agreed to, bill read the third time and passed.

* * *

REPRESENTATION ACT, 1974

MEASURE TO PROVIDE FOR REPRESENTATION IN THE HOUSE OF COMMONS AND ESTABLISH ELECTORAL BOUNDARIES COMMISSIONS

The House resumed, from Monday, December 2, consideration of the motion of Mr. Sharp that Bill C-36, to provide for representation in the House of Commons, to establish electoral boundaries commissions and to remove the temporary suspension of the Electoral Boundaries Readjustment Act, be read the second time and referred to the Standing Committee on Privileges and Elections.

Mr. Gordon Towers (Red Deer): Mr. Speaker, when I adjourned the debate on this redistribution bill on Monday I was speaking about the frustration of the ordinary Canadian who finds difficulty in exercising a certain amount of control over a government that is continually growing. I am closing the debate today although I know that several of my colleagues would liked to have participated in it. I mention the hon. member for Edmonton-Strathcona (Mr. Roche), the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds), the hon. member for Victoria (Mr. McKinnon) who feel as I do. They recognize, as I do, that anything that is big does not necessarily mean that it is better. Just because we have a big government does not mean we have good government. A big House of Commons does not mean it will be a good House of Commons.

When the day comes that the government gives members of this House the opportunity fully to exercise their abilities, we will be able to give greater service to Canada than is being given at the present time.

[Mr. Speaker.]

On Monday, the hon. member for Edmonton Centre (Mr. Paproski) brought to the attention of the House the fact that Senator Hastings from Alberta, a Liberal, had made an announcement regarding LIP grants to the city of Edmonton. Surely such announcements should either be made by the minister in the House or even by the member representing the area. I feel this is almost bordering on a question of privilege when a spokesman for the Liberal organization makes such announcements. I am not so much concerned about who makes the actual announcement provided it is a member of the cabinet, preferably the minister in charge of the department, and it is made in the House of Commons.

I am concerned, Mr. Speaker, that some members opposite seem to consider that we are conducting a filibuster on this bill. We are not. I mentioned that some of my colleagues would like to speak but they are willing to forgo their opportunity so that the bill may come to a vote and go to committee. After the bill had only 3½ hours of debate the hon. member for Coast Chilcotin (Mr. Pearsall) yesterday put the following question to the President of the Privy Council, as reported at page 1889 of *Hansard*:

MR. JACK PEARSALL (COAST CHILCOTIN): Mr. Speaker, I have a question for the President of the Privy Council. In view of the filibuster on the redistribution bill last night, can the minister indicate when that bill will be brought forward again?

HON. MITCHELL SHARP (PRESIDENT OF THE PRIVY COUNCIL): As soon as I have some indication that progress in desired on the other side, Mr. Speaker.

It is unfortunate that the hon. member spoke in such a manner when members on this side of the House from British Columbia are so very concerned about what is happening with this bill. As I said, bigger does not mean better, and an increase in the number of members in the House of Commons will in no way ensure better government. The ordinary Canadian is becoming frustrated daily as he feels he is losing control.

In Great Britain where the population is 55,514,600, parliament has 635 members. That means each member represents 87,000 constituents. In the United States with a population of 212 million there are 435 Congressmen and 100 Senators, which means that each person elected represents 396,000 people. With 22 million people in Canada, taking the members of the House of Commons and the Senate combined, each member represents 60,000 people. Canadians are the most over-governed people in the world. If the government really wanted to give good service to the average Canadian it would make better use of the Senate which is assigned a disproportionate membership from certain regions.

Commissioners will be appointed under the provisions of this bill to oversee the redistribution of electoral boundaries. This rules out any possibility of a member of the House of Commons or other individual having influence over such boundaries. This is one of the areas that created great concern in the last redistribution.

● (1610)

The commissioners completely failed to consider the needs of the people. I know that Saskatchewan and Manitoba need protection, just as the eastern provinces and the maritime provinces do, and I think the people of Canada recognize this, as do members of this House. We in

this party all subscribe to the idea that commissioners, when they draw boundaries, should consider the needs of constituents. The other day the hon. member for Edmonton West (Mr. Lambert) introduced a private member's bill, which was passed, which called on commissioners to give reasons for their decisions. That was a step in the right direction.

One of the greatest shortcomings of this bill is that it does not lay down guidelines which commissioners must follow. That is a serious omission. I think the government is wrong in thinking it is God's gift to Canadians because I, for one, as well as many others, do not hold that view. The government should remember that we, on my side of the House, also speak for Canadians, that we are interested in this matter and that our advice is worthy of consideration.

When electoral boundaries are drawn consideration should be given to the travelling habits of people, to their social habits, and to what is convenient for them. Canadians should not be treated like cattle, and provinces should not be carved up like a turkey for Thanksgiving. When electoral boundaries are drawn and, for instance, a river is involved, should the commissioners not consider on which side of the river constituents would like to be included, whether there is a convenient way of crossing the river, whether bridges are available, and so on? At present these matters are not considered. Guidelines on such matters should have been incorporated in the bill. Perhaps the committee will consider this matter and propose amendments which will improve the bill.

Some say that we should adopt wholly the principle of representation by population, but in a country as vast as Canada that may not be possible. The requirements of various areas must be considered. I hope the government will listen to the recommendations of members on my side. We, too, speak for Canadians. We wanted to speak on this bill, to make the government conscious that we are dealing with human beings. After all, we are here to represent our people. I wish the government would give us all a better opportunity to serve our people better. After all, Mr. Speaker, this House exists for that purpose.

Mr. Ian Watson (Laprairie): Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. I am sure hon. members wish to allow the hon. member who has the floor an opportunity to participate in the debate.

Mr. Watson: Mr. Speaker, I rise to express some serious reservations about this bill. I would prefer to see the bill not go through this afternoon. Actually, I would prefer to see it not passed at all. Members of this House who represent rural areas—I am not in that group—should not be happy with this bill, because it is one that they should not buy. The end result of this legislation, I am convinced, will be that there will be a larger number of seats in the Montreal, Toronto and Vancouver areas, and the rest of the country will take up the balance. If members on the other side of the House feel that somehow this bill will improve representation in rural areas, they are deluding themselves. It will not happen that way.

There are, in addition, some more fundamental reasons for my opposition. The bill is based on the premise that we in Canada are heading in the direction of an ever increasing population. It is my firmly held belief that Canada should aim at zero population growth.

I also argue that, under the new formula, no advantage will accrue to Quebec. Compare the proposal under the amalgam formula with the system which would exist if this legislation were dropped. What will you find, Mr. Speaker? I suggest that Quebec will bear almost exactly the same relationship to Ontario and the rest of the country under the proposed system as under the existing system.

My argument may or may not persuade members to vote either in favour or against the bill. Nevertheless I sincerely believe that we shall make a mistake if we increase the number of seats in the House, as more seats will make the House more unwieldy and we shall encounter more problems.

Some hon. Members: Hear, hear!

Mr. Watson: Certainly I think we shall encounter more problems in our ability to handle our own affairs. I do not believe that we need to have 353 members in this House in the year 2000. I urge the House not to vote on this bill this afternoon, because the public of Canada needs to hear more about it.

On Monday, when few members were present, there was general agreement to process the bill through the House. That did not happen, and I am happy. I suggest that we need more time to let the public zero in on this question. Once the public starts zeroing in on it, I suggest members of parliament on all sides will begin reacting in the same way as the public.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to make a few remarks at this stage of Bill C-36 which concerns electoral boundaries that are about to be changed. As for me, after studying the bill, Mr. Speaker, I feel that the province of Quebec is in process of becoming the least represented province in the House of Commons.

According to the amalgam process, we have lost some ridings in the last few readjustments and are now about to be given one more riding and so, once more, 75 MPs for the province of Quebec. However, if we look at the present trend toward the exodus from parishes or rural areas to the cities, one can readily foresee that this new riding will be absorbed by the city of Montreal which even then will not have enough representation. The rural areas of the province of Quebec will inevitably lose other ridings to the cities of Montreal and Quebec. To my mind, the same phenomenon exists in Ontario especially and will soon be witnessed in British Columbia.

Before many decades we will have a country that will be represented, run and governed by Montreal, Toronto and Vancouver. And that would be to the detriment of rural or semi-rural areas, and I do not think it would be to the advantage of all Canadians.

Under that method even if after 1981 the province of Quebec has four more ridings, when the legislation is

passed, that will mean that no matter what the trend in the population of the province of Quebec may be, whether it goes up, remains the same, or decreases, there will always be those four more ridings. Should there be a rapid increase in population, that would still mean that the province of Quebec would be less and less represented, all proportions being kept.

I would also like to bring to the attention of hon. members a very important point. Under the method we had with the last census or the last redistribution, we realized that the map was drawn up by the commissioners before members were consulted. We were kindly offered to voice our opinions after, but I do not know if it is for reasons of economy but our recommendations were ignored, the maps were not reprinted, the electoral boundaries were not reviewed according to recommendations made by hon. members. There were some absolutely ridiculous situations.

I have one now in the riding of Abitibi. To represent two municipalities—Desmaraisville and Miquelon—I must virtually cross the adjacent riding, the riding of Villeneuve. Similarly, when the electors of those ridings want to meet their member of Parliament, they must cross another riding.

● (1620)

After this carving into the electoral map, recommendations were made in this House. I made some representations to the commissioner. At that time, I asked that municipalities with an equivalent population near the constituency of Villeneuve be given back to that of Abitibi and that the municipalities of Desmaraisville and Miquelon be given back to Villeneuve. This would have been more logical, but I received no answer. I was not even told whether it was reasonable or not. These recommendations were not considered, and I know that other members made recommendations at that time and met with the same answer.

I humbly submit that this bill should be amended. If it is to be passed, I would like hon. members to be consulted before the constituencies are chopped up, before any change is made in the boundaries. I believe that the members who represent constituencies, be they rural or urban, know their region, their population, the geography of their constituency, and are in a better position to advise the commissioners through their representations.

Mr. Speaker, these considerations should be studied in depth. When the bill is studied in committee, they should be taken into account, and I believe that this would be to the advantage, not only of myself, but of others who will represent my constituency in the years to come, I do not know when, but I hope not for a long time, but in any case, others will benefit from this later. It still remains that Bill C-36 which will soon be passed will apply for a long time. We must therefore take all the time we need to study it carefully so as not to make any mistakes and be stuck with provisions that we would not like later on.

For all these reasons, Mr. Speaker, I believe we should take all the time we need to study the bill, to learn the opinion of all members from across Canada, so that the bill may truly meet the needs of all areas, and not only the needs of political parties but those of the Canadian people.

[Mr. Laprise.]

[*English*]

Mr. Deputy Speaker: Order, please. Is the minister rising on a point of order? I see the hon. member for Lotbinière (Mr. Fortin) is standing. He may wish to address the House.

[*Translation*]

Mr. Fortin: Mr. Speaker, I already spoke on second reading of this bill: therefore, under the rules, I cannot speak again. That is why I rise on a point of order to ask the President of the Privy Council (Mr. Sharp), who was going to rise, whether he intends to answer the points I made in my speech on Monday and the recommendations I put forward along the same line as several other members on both sides of the House, to the effect that we can indeed expect some changes in the mandate of the commissioners who will draw up the maps. Under this condition, Mr. Speaker, we would be ready to support the bill and expedite its passage. Otherwise, it will be extremely difficult to obtain the co-operation of hon. members on both sides of the House.

[*English*]

Mr. Deputy Speaker: I must inform hon. members that if the minister addresses the House at this time, he will close the debate.

Hon. Mitchell Sharp (President of Privy Council): Mr. Speaker, I do not intend to keep the House for more than a few minutes. I wish first to thank hon. members who have contributed to the debate.

When the government presented this bill it was not on the basis that it would satisfy all members of the House, but that it seemed to represent the best consensus that could be reached. We based this view upon the discussions that took place in the standing committee in the last parliament and upon the informal discussions that took place between the parties. It is quite clear that it does not satisfy all hon. members. It does not satisfy some members of the Conservative party nor does it satisfy all members of the Liberal caucus.

I want to make it quite clear that the government is not putting this forward as a partisan measure. It is putting it forward as representing the best consensus that appears to be available that best represents the interests of all members of the House. I say that quite clearly because it would be most undesirable for it to appear to the public that the government is moving ahead with a measure that was designed to be of particular advantage to the party on this side of the House. That is not so. It was not designed for that purpose. If we had something like that in mind, this might have been quite a different bill. As I say, it is one that is based upon discussions that have taken place among members of all parties.

The second point I wish to make is partly in reply to my friend, the hon. member for Laprairie (Mr. Watson). I think it is obvious there is a better chance of there being greater representation from rural areas with a larger number of seats in parliament than if we continue with the present system which, hon. members may recall, was found to be wanting. It was almost universally condemned by all parties and by many members. It was for this reason

the Electoral Boundaries Readjustment Act was suspended.

● (1630)

We are hoping that on the basis of the new distribution of seats, or whatever proposals may be forthcoming as a result of discussion in the committee, there will at least be a better opportunity for the representation of the Canadian people. If the committee were to come forward with some proposals for the adjustment of this bill which it considered more acceptable, the government, for its part, would not necessarily oppose them.

We are looking for something which is broadly acceptable to the greatest number of members and to the country as a whole. I hope, therefore, that we can get this bill into committee where there will be opportunity for the kind of discussion to which the hon. member for Laprairie (Mr. Watson) referred, giving the public time to understand all the implications of what is being proposed. Debate on second reading is rather inadequate for these purposes since it does not afford sufficient flexibility. I urge hon. members to allow the bill to go to the committee for these reasons. If there are improvements which can be made, the government is not inflexible.

Some hon. Members: Question!

Mr. Deputy Speaker: Those in favour of the motion will please say yea; those opposed will please say, nay.

Some hon. Members: Yea!

Some hon. Members: Nay!

An hon. Member: I think we've won.

Mr. Deputy Speaker: In my opinion the nays have it.

Some hon. Members: Oh, oh!

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Sharp) which was agreed to on the following division:

● (1640)

(*Division No. 10*)

YEAS

Messrs.

Abbott
Allmand
Anderson
Andras
(Port Arthur)
Baker
(Gander-Twillingate)
Béchard
Benjamin
Blackburn
Blais
Blaker
Boulanger
Breau
Brewin
Broadbent
Buchanan
Bussières
Cafik
Campbell (Miss)
(South Western Nova)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Daudlin
De Bané
Demers
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce)
Douglas
(Nanaimo-Cowichan-
The Islands)
Duclos
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Flynn
Foster
Fox
Gauthier
(Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Goodale
Goyer
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Herbert
Hogan
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Knowles
(Winnipeg
North Centre)
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc
(Laurier)
LeBlanc
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Lee
Lefebvre
Lessard
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacFarlane
MacGuigan
Maine
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Martin
McIsaac
Milne
Morin (Mrs.)
Munro
(Hamilton East)
Nicholson (Miss)
Nystrom
O'Connell
Olivier
Ouellet
Parent
Pearsall
Pelletier
(Sherbrooke)
Penner
Philbrook
Pinard
Portelance
Poulin
Railton
Reid
Roberts
Rodriguez
Rooney
Roy
(Timmins)
Roy
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Messrs.

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Andre
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Dick
Dinsdale
Dionne
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Forrestall
Fortin
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Gillies
Grafftey
Halliday
Hamilton
(Qu'Appelle Moose
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Hargrave
Hees
Hnatyshyn
Holmes
Howie
Huntington
Hurlburt
Jarvis
Johnston
Kempling
Knowles
(Norfolk-Haldimand)
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Laprise
MacDonald
(Egmont)
MacDonald (Miss)
(Kingston and the
Islands)
MacKay
MacLean
Macquarrie
Malone
McCain
McCleave
McKenzie
McKinley
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● (1700)

Mr. Speaker: I declare the motion carried.

Motion agreed to, bill read the second time and referred to the Standing Committee on Privileges and Elections.

* * *

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

The House resumed, from Thursday, November 14, consideration in committee of Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade—Mr. Macdonald (Rosedale)—Mr. Laniel in the chair.

The Chairman: Order, please. I invite hon. members who are leaving the House to do so hastily so that we can proceed in committee.

[*Translation*]

When the committee adjourned on November 14, 1974, it was considering clause 2. The committee held a general debate allowing members to hold a general discussion on clause 2.

● (1710)

[*English*]

The hon. member for Hastings had the floor. I wonder if he had completed his remarks? The hon. member for Qu'Appelle-Moose Mountain.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, since this bill was last before committee of the whole a great deal of water has passed under the bridge. To say the least the bill is now completely redundant and is an anachronism. First of all I have to comment on the fact that the Minister of Energy, Mines and Resources is not present. When we are debating a ways and means motion that has $3 billion or so riding on it, I think he should be here.

The price of oil this winter is no longer of great urgency since the premier of Alberta has indicated his intention to keep the price at $6.50 per barrel, so we are debating this in a vacuum. I have several questions, however, which I will put to the parliamentary secretary, although they can only be answered by the minister speaking for the government as a whole.

Since this bill was before the committee on November 13 a report has been issued by the National Energy Board asking the people of Canada, and parliament, to move as swiftly as possible in order to bring the oil and gas industry back to an economic state of health. In plain English, that is warning the people of Canada that if they do not move expeditiously there will not be oil enough to meet their needs very shortly.

In other words, by the bumbling and fumbling of the various governments in Canada, and I am referring specifically to the federal governments, future supplies of oil and gas in Canada have been endangered. This means that consumers in Ontario and the eastern provinces will have to bear the load of higher prices and shortage of supply because the present government, by a series of actions has made a declaration of war not on the provinces of Alberta and Saskatchewan alone, but on every province.

The National Energy Board is the only board in Canada that is independent of the government and that can give us some form of truth. Despite the fact that it has been in existence since 1959 this is the first report it has published, and I recommend it to members on the government side. If they have any voice in caucus they should tell the government what the report says. The year 1977 is not far away, nor is the year 1982. If I lived in any part of this country as far away from oil and gas wells as Ontario, Quebec and the eastern provinces are, I would take a good look at this report.

The first question I have to ask the parliamentary secretary is this: in view of the fact that the National Energy Board is pleading for us to make a rapid decision, will the government not now recognize that Bill C-32, which is supposed to ratify and legitimize a position taken by 11 heads of government on March 27, is completely redundant?

A second report that has come out since this bill was debated on November 13 is that of the Economic Council of Canada, another board independent of the mandarins in the Department of Finance and the Bank of Canada. That report devotes a whole chapter to energy in graph and table form. It tells the people of Canada that the only way they can assure themselves of not moving into an importing position and becoming dependent on world supplies is to get the price up to $8 per barrel. With this report in their hands every member of the government party should be at the door of the Minister of Energy, Mines and Resources, the Minister of Finance and the Prime Minister showing that they take it seriously.

In view of these two important reports by independent groups advising the people of Canada to take heed, the government should take them very seriously indeed.

The budget of November 18 repeated the mistake of the May 8 budget in making provincial taxes and royalties non-deductible. That shows that Bill C-32 is not just a bill to ratify what 11 heads of government agreed to on March 27 but is a continuation of a planned attack on the constitution of this country, by attacking every province on its basic rights of ownership—

Some hon. Members: Oh, oh!

Mr. Boulanger: You don't believe that!

Mr. Hamilton (Qu'Appelle-Moose Mountain): If any member from the province of Quebec does not know the history of that province—why they came into the federal system, why they sought so hard to have certain responsibilities remain within their field—he should read the debates leading up to enactment of the British North America Act in 1867. All during the years that followed, the province of Quebec has led the battle in trying to protect the rights of its people against the encroachment of a strong federal power. Now for the first time in the history of this parliament we have a group of members from the province of Quebec—

An hon. Member: Who are running!

Mr. Hamilton (Qu'Appelle-Moose Mountain): —all interested in one thing only, keeping a united voice in order to keep a Prime Minister in power who is destroying the basic economic health of the country.

Some hon. Members: Oh, oh!

Mr. Hamilton (Qu'Appelle-Moose Mountain): Just reserve that genuflection for the proper place, my friend.

I have in my hand a front page story from the Montreal *Gazette* quoting the Premier of Quebec on the question of energy. He says that the federal government has simply the role of a customs officer. The premier says that he is in a position of power. He was referring to resources belonging to the people of Quebec. Yet we see members of this House representing ridings in Quebec selling their province down the drain by their support of the budget. The effects of the budget are plain. No province can impose a tax on land which—

● (1720)

The Chairman: Order, please.

[*Translation*]

Mr. Pelletier (Sherbrooke): On a point of order, Mr. Chairman.

The Chairman: Is the hon. member for Sherbrooke rising on a point of order?

Mr. Pelletier (Sherbrooke): Mr. Chairman, I should like to put a question to the hon. member.

The Chairman: It cannot be done without the consent—

[*English*]

The hon. member is seeking permission to ask a question.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, may I thank the hon. member for seeking permission, although I wish he had given me an opportunity to complete my remarks without interruption.

[*Translation*]

Mr. Pelletier (Sherbrooke): Mr. Chairman, I simply want to know whether the hon. member would entertain my question?

The Chairman: Order. The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) has answered that he does not wish to be interrupted, which means that he is not prepared to accept the question. Since he has the floor, he is entitled to continue.

[*English*]

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, the truth is hurting hon. members opposite.

Mr. Pelletier (Sherbrooke): Say what you think, but you don't think about what you say.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, I know the hon. member has no knowledge of the history of this country. He does not know what the great members of parliament from Quebec have done over the years in this House. He is selling the people of Quebec down the river, just so that he can remain a faithful soldier of the Prime Minister. The government has expounded its philosophy in this bill. It intends, unilaterally, to interfere with taxes any provincial government may impose on land, forests, mining and oil. It is trying to pretend that this bill is an attack on the people of Alberta and Saskatchewan only; it is not. It is an attack on people in every province. That is why the premier of Quebec knows he must fight. That is why every member from Ontario and from Quebec who supports this bill knows that he stands on the wrong side of this question.

During the past year the province of Ontario passed a law for taxing excess profits taken by speculators in land. The federal government said that the amount of such tax paid will not be considered as a deductible expense for purposes of income tax. Under section 109 of the British North America Act land, resources and royalties are the property of the people of the province concerned. The government has said that the tax on land—

The Chairman: Order, please. I regret to interrupt the hon. member; however, he has used up the time allotted to him. He may continue only if there is unanimous consent.

Some hon. Members: Continue.

Some hon. Members: No.

The Chairman: Although there is no consent for the hon. to continue, no other member is standing up seeking the floor.

Mr. Foster: Mr. Chairman, I listened with great interest to the hon. member. Although he did not spend much time talking about clause 2 of the bill, his intervention was most interesting. He suggests that this bill is not valid because one party to the agreement of March 27 no longer supports what was agreed to then. One of the most important features of the bill is that it gives the government power to pay compensation to the five eastern provinces of this country, and this guarantee will lapse on December 31. I do not think hon. members opposite who represent ridings east of the Ottawa Valley, ridings which are beneficiaries of this clause in the bill, want to see a filibuster. I suggest that they want the bill to pass as soon as possible, because its provisions are as necessary now as they ever have been.

The hon. member talked a great deal about resources being seized by the federal government. That was just claptrap. No one questions the rights of provinces to own their resources. Of course they own them. Yet, if one examines the British North America Act, one will find that the federal government has authority to tax by any means it chooses. We are not talking here about the ownership of any resource; we are talking about the taxation of corporations. I do not think that point has been made effectively.

When the hon. member spoke on the National Energy Board report, I thought he said that it is an encouraging report as it indicates positively that there are supplies of oil in this country. I suggest that we should move on to other clauses of the bill, rather than talk about non-relevant matters.

The Assistant Deputy Chairman: The Chair recognizes the hon. member for Qu'Appelle-Moose Mountain.

An hon. Member: Why not the hon. member for Sault Ste. Marie?

Mr. Baker (Grenville-Carleton): Who is in the Chair? How dare you do that to a lady!

Some hon. Members: Oh, oh!

Mr. Hamilton (Qu'Appelle-Moose Mountain): Madam Chairman, I was asking a series of questions which can be answered only by the minister. As this bill, in conjunction with the budget, presents serious constitutional implications, and as I asked in what manner has the government changed its attitude since we last discussed the bill, I suggest that my question should be answered by the minister speaking for the whole government and not by the parliamentary secretary.

I pointed out that the National Energy Board and the Economic Council of Canada in their reports both asked the government to quit quarrelling with the provinces and return to the business of restoring the health of oil and gas companies in order that we may foster development. The dangers of which I warned the government, dangers which flow from a confrontation between provincial premiers and the federal government, have been realized. I told the committee what the premier of Quebec thinks. I have before me a whole file of clippings showing what other premiers think, but I will not read them to the committee.

In our discussion of clause 2 we are dealing with the general purposes and general thrust of this bill. I have raised questions concerning the National Energy Board report, the Economic Council of Canada report, the budget, the position of Premier Lougheed, who is the main partner in the agreement of March 27 as he is providing 85 per cent of the oil, and other questions concerning the reactions of the governments of British Columbia, Saskatchewan, Quebec, Newfoundland and other governments.

In view of the current position I would think that it would make good sense if the government after a full cabinet meeting, could look at the new factors which have arisen and withdraw the bill until there can be consultations with the premiers of all provinces. If we are to keep our federal system strong, the federal government must show positive leadership. Our system can be kept strong only by consultation and agreement, not by confrontation.

Mr. Blais: That is what the bill says.

Mr. Hamilton (Qu'Appelle-Moose Mountain): The bill says, Mr. Chairman, that in the absence of agreement the federal government will use its power to impose conditions unilaterally. Further, the bill says that the government is to have permanent powers in setting the price of oil and of petrochemical products in this country.

● (1730)

This is a direct infringement on the provincial power of price setting. I say again that I am asking, in these opening remarks on this bill, that the government come down and state that its ministers as a government have considered this in council, and their position is this.

We are not dealing with itty-bitty little matters. We are dealing with the constitution of Canada. Bill C-32 was brought into this House to legitimize an agreement made orally between 11 heads of government. All parties agreed to legitimize that agreement by putting through this legislation. However, it is no longer in the ball park. It is an anachronistic type of legislation.

I wish to bring forward some points of which I think we should take note. When the vote came up in the House on Supplementary Estimates A, I spoke to the head of the Treasury Board. I pointed out that the vote which made it legitimate for the government of Canada to pay subsidies to those people east of the Ottawa line only carried until the end of December, 1974. As a matter of procedure in this House it should be proper, I told the President of the Treasury Board either to change the wording of the vote, which was inaccurate, or raise the amount to the full fiscal year to the end of March. He promised to consider that.

The change was not made. This indicates that the government is deliberately trying to cut off the money to subsidize the people in eastern Canada at the end of this year. When the government had a chance, during debate on the supplementary estimates several weeks ago to make that vote effective until the end of March, 1975, at the request of the spokesman for the official opposition on oil and gas matters, it did not do it. Instead it has now come in with a bill that is redundant and out of date. There is no agreement to ratify. The Cabinet wants to waste the time of this House without a responsible minister here to speak for the whole government. I simply point out that if the government is going to play games with the people of Canada on a subject like this, and deliberately cuts off its power to give money as a subsidy, to people east of the Ottawa Valley which all parties have agreed to, the fault will lie on the shoulders of this administration.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): The provinces of Alberta and Saskatchewan voluntarily agreed last March to subsidize every consumer of oil products in this country to the extent of $2.5 billion to $3 billion a year. They did that as Canadians. They were praised in this House by all parties for their statesmanship.

Who destroyed this good will? Who broke the agreement? Who brought in Bill C-18 in the last session hours after the agreement was made, that destroyed the agreement? This government did. The budget of May 6 was a complete declaration of war. It was repeated again all during the election campaign. The Prime Minister and the Minister of Finance said this was a negotiating point, that they would reconsider it. However, when the budget came down on November 18, they again declared war. They pretended they were backing up by $115 million a year on a $3 billion industry.

I want to put something forward for the government's consideration because eventually this has to be dealt with by the government as a whole, not just by the parliamentary secretary or someone else. Her Majesty's Loyal Opposition is prepared to propose ways in this House that will prevent the government from taking off the subsidy for

people east of the Ottawa Valley line, that will keep one price across Canada which is lower than the world price, that will allow for the cushioning effect of staging to the new price levels, and will also be fair to the producer provinces and give them a quid pro quo. Above all, we are prepared to bring forward proposals that will guarantee, if the government wants to carry this legislation forward, that there will be consultation before there is any unilateral force applied to a province when dealing with the property of the people of that province.

We, as a loyal opposition, are willing to try and end this confrontation deliberately sought by a government that is only conscious of political gimmicks to achieve its end. We will be putting forward these proposals. However, they can only be made in the presence of a minister who can go to cabinet and make these proposals to it. I have made some of these proposals to the minister in private and some in public.

The proposals we want to put forward will have to be dealt with seriously by the whole cabinet because this bill is a clear indication that it is a power device by this government to continue its gambling policy that it can smash the constitution by unilateral action while playing politics with the question of prices for the oil that heats our homes and runs our automobiles. This is a very serious thing the government is doing.

I suggest to the government supporters and to the parliamentary secretary in particular, that they carry this message back loud and clear because the people of Canada are not going to stand idly by Mr. Speaker. Not only will the provinces and their premiers be in rebellion, but if you do not honour the property rights of the people of a province, the people of that province can destroy a government. No provincial government wants to be destroyed by not fighting on this issue, which is the whole bedrock of our constitutional base.

We in this party are the founders and fathers of the federal system. We held out the proposal to the people that a strong federal system will only work if you undertake it by agreement and consultation. If agreement does not follow consultation, then we are not a mature nation and do not deserve to continue.

This principle of consultation which we have followed over the years has worked. I was in the Diefenbaker administration. Over 50 agreements were made with the provinces in which then the federal government took the initiative, on matters which were purely in the provincial resource area. In every case we sat down as equals with the relevant provincial government and said, "This is your resource. In the national interest we would like to achieve certain objectives for the good of all Canadian people. Here is our proposal." Every one of those agreements were signed willingly by the provinces. This not only involved matters of resources.

We even moved into the field of education. Every province signed, because they were agreements reached after consultation. We went across the field. Believing in a strong federal central government, we knew it could only be strong if we worked in harmony with the provinces which had responsibilities under their part of the constitution. That is a record which bears repeating.

If the people of Canada know what the issue is, they will opt for a type of federal system that does not have this concept of confrontation that was brought in by the Pearson administration in 1963, and continued by the present administration. They will opt for the principle of consultation, and then agreement. This is a vital issue affecting the way in which we run our government.

● (1740)

I conclude by repeating what I said in my opening sentence. This is not just a constitutional debate. It is a debate on a product which provides 50 per cent of the energy of Canada. This energy not only runs our factories, our trucks and our automobiles; it keeps us warm in winter. The actions of the government are driving the oil and gas companies out of this country, and hastening the day when we will have to go out and beg the world for supplies of oil to run our factories and keep us warm. If that doesn't get through to hon. members opposite, I am darned sure the premiers of the provinces, particularly the premiers of Ontario and Quebec, will be teaching them a lesson very shortly as to where the real power lies.

Some hon. Members: Hear, hear!

Mr. Symes: Madam Chairman, the government has decided to bring forward this bill at this time, and I consider it very inadvisable to do so today. It is indicative of the federal government's continuing policy of confrontation with the provinces. There is to be a very important meeting on Monday of the federal-provincial ministers of finance, which will look at the budget implications, and especially the implications attached to non-deductibility of provincial resources.

This bill cannot be considered by itself. It must be looked at in conjunction with the federal budget and the measures which relate to energy. Therefore, it seems to me very ill-advised on the part of the government to expect the House to deal with this bill, to try to ram it through, before those discussions with the provincial finance and energy ministers take place. We do not even have the Minister of Energy, Mines and Resources with us today. We have before us an energy mess. It is a mess not only from the point of view of supply and from the point of view of price, but also from the point of view of federal-provincial relations. I somehow get the impression from the government side—from the backbenchers and from the Minister of Energy—that Bill C-32 is going to be one of the great solutions of the energy problem in this country. But this bill is not going to do very much.

There isn't the oil in Canada in the first place to provide Canadian industry with fuel, and consumers with fuel as well. And I think the bill must also be looked at in the context of the recent National Energy Board report which, if you go through it carefully, finally recognizes what we in this party have been saying for many years, that we are in a critical supply situation and the future does not look promising. Now the board talks about becoming net importers by 1982. But if you look at the board's charts, all they are looking at is western Canadian production and western Canadian demand. If you add eastern Canadian demand we are going into a shortfall position as early as 1977.

The National Energy Board report also assumes that we will be able to feed the eastern market with oil simply by importing it from the Middle East and Venezuela. But other reports show that by the beginning of the 1980s there will be a critical world oil supply situation. For the board and the government to assume that as we run short of western Canadian oil—and I would remind the House that sufficient quantities of Arctic and offshore oil are not yet discovered and the tar sands cannot produce sufficient quantities of oil by the early 1980s—we will be in a situation where we will be able to import one million to two million barrels per day in the early 1980s, is taking an overly optimistic view. The world supply situation will be becoming tight at that time and there is no guarantee that eastern Canadian demand will be fulfilled. So the bill has to be looked at in that context because it deals with payment of compensation to eastern Canada, and also with the giving of power to the federal government ultimately to decide the price of oil if no agreement is reached with the provinces.

So, it seems to me then that the timing of the bill, the bringing of the bill before the House at this stage before relations with the provinces are sorted out as to royalties, is most unfortunate. Looking at the business of the non-deductibility of royalties that the Minister of Finance brought forward in his budget, surely it cannot be classified by an impartial observer as a fair measure.

The argument of the federal government, as I understand it, is that ever since the price of Canadian oil went up from about $3 to $6.50 a barrel and the provinces correspondingly increased their provincial royalties, the federal government has lost very important sources of revenue and that the provinces are moving by the royalty route into an area of taxation which the federal government considers to be its own prerogative. Well, that in itself is very debatable. The resource, of course, belongs to the provinces since historically the provinces have had the right to impose royalties. But the minister comes up with the curious argument—well, the royalties of the provinces today aren't royalties in the classical sense of royalties. In other words, he is saying that despite the fact that the price of a barrel of oil goes up, the royalty must always remain fixed, and can't be imposed on a percentage basis. I wonder if the Minister of Finance would accept the same kind of argument as applied to corporate income tax, saying it must be fixed and cannot rise as corporate profits rise. I think that it is a very unfair interpretation.

The Minister of Finance and the Minister of Energy are taking the position that the federal government has moved somewhat, that it has reduced certain taxes, that it has allowed the exploration write-off to rise from 50 per cent to 100 per cent, and that it has allowed deductions for development and so on. Therefore they are saying now to the provinces that the ball is in their court. They are saying, "We in the federal government have moved back a bit from taxation, so now we want you to move back on the royalty issue." Well, I do not think the federal government has moved back much on corporate income tax.

The minister talks about a 10 per cent surtax on corporations, but he exempts the resource industries. If he wants more money he can impose a surtax on the resource industry. He cannot give them a 100 per cent write-off for exploration. I think the Minister of Finance has bought the argument of the oil industry that they desperately need all these concessions for exploration, citing as evidence the fact that drilling rigs are moving out of Alberta.

I submit that the drilling rigs are moving out of Alberta because the oil companies have concluded that there is no oil to find in Alberta. They are more interested in the Arctic or in other countries, so it seems to me the concessions which the minister has given in his budget are not entirely necessary. He has room to manoeuvre to increase federal income. I really question the motives of the government in bringing the bill in today this early before the question of royalties has been settled with the provinces.

I should like to put two questions to the parliamentary secretary because I think they are pertinent to this bill and to the recent report of the Energy Board. First of all I have a very brief question, and when I have the answer I will follow it up with a second question.

● (1750)

How long does the government intend to pay compensation to eastern Canada for its imported oil?

Mr. Foster: Madam Chairman, that is a very hypothetical question, because we do not know what compensation program will be necessary to compensate for world prices of oil. We do not know what the world price of oil will be. The minister has said on many occasions that the Canadian price would move up to a level that would bring on frontier and non-conventional oil supplies, but I do not think anyone could guess how long it is going to be necessary to provide compensation to the eastern provinces.

One of the complaints of the hon. member for Qu'Appelle-Moose Mountain, when he spoke on second reading, was that the bill did not have a terminal date on it; he said this was new and that it was different. It is not new and it is not different. There was no terminal date to Bill C-18 that was introduced last spring, and, of course, there is no terminal date to this bill.

Mr. Symes: That is very interesting. The government wants us to pass this bill when we are not given any timetable showing how long the compensation provisions of the bill are to last.

My second question is this: How does the federal government expect to fund this compensation to eastern Canada in view of the fact that the funds to date have been coming from revenues derived from the export tax? The National Energy Board is now saying we must reduce our oil exports to the United States, which will mean that we will be reducing the amount of revenue gained from this tax. As this revenue declines, how does the government intend to compensate eastern Canada? If the export tax fund goes into a deficit position through reduction of exports to the United States in accordance with the National Energy Board recommendation, how does the government intend to fund this compensation?

Is this the reason that the parliamentary secretary is reluctant to give us any indication of how long this compensation will continue? Is he saying that in the near future the government is going to start cutting back on

compensating eastern Canada, or will withdraw that compensation entirely? This is why I want to know whether, as exports of oil are cut back and the revenue therefrom depleted, compensation will be paid out of general tax revenues. Will compensation come from, say, an excess profits tax on the oil companies, or will the government cease compensating consumers in eastern Canada?

Of course, once the price of oil in eastern Canada goes up to the world level, it will mean that the price of oil all across Canada will reach the same level, thus doubling the price of a barrel of oil in Canada. This will doubtless mean another huge increase in inflation, and Canadians may be paying $1 or $1.20 for a gallon of gasoline.

I should like to know what position the government is taking. Obviously the minister is showing his confidence in the parliamentary secretary being able to answer these kinds of questions, so I ask him where will we get the money to compensate eastern Canada as our revenues from the export tax decline, and for how long will this compensation be paid?

Mr. Foster: Madam Chairman, the bill provides that funds for compensation will be appropriated by parliament. Surely the question as to where funds will be found should more appropriately be addressed to the Minister of Finance rather than the Minister of Energy, Mines and Resources. This bill sets out a regime till the end of this fiscal year.

Mr. Symes: On a point of order, Madam Chairman, the non-answers of the parliamentary secretary confirm my original view that we are wasting time trying to discuss this bill in the House today. We cannot get any definitive answers.

[*Translation*]

Mr. Allard: Madam Chairman, even if the province of Quebec has no oil resources, I am pleased to take part in the debate of Bill C-32 which deals with an extremely important matter for the future of our country. If present conditions hold, the productive capacity of oil fields in Canada will start to decline in a few years from now or in not more than four or five years.

Even if the country goes all out to transform in real supplies its immense energy potential, it will not for some twenty years recover the freedom it now enjoys in choosing among various types of energy. Any curtailment of exploration and development would throw the country in the situation of energy shortage now experienced by various countries. The degree of government taxation is an important factor in determining the development of petroleum resources, in promoting or discouraging the exploitation of future discoveries.

According to various inquiries, it is estimated that it will take about $50 billion in the next ten years to enable our country to regain its present independence. Our problem right now is to find new sources of energy. Since charity begins at home, it is imperative to think first about Canada's needs. As it deals with a non-renewable resource, it is urgent that the government take steps to ensure that research for the protection of existing reserves be maintained and encouraged.

[*English*]

Mr. Andre: Madam Chairman, I see it is very near the hour of adjournment, but may I ask the parliamentary secretary whether the minister will be here tomorrow? No offence intended; he has answered questions in the fashion we have become accustomed to, but could he answer that question?

Mr. Foster: Yes, Madam Chairman. It is our intention to go on with this bill tomorrow and the minister will be here. It was only because of such great co-operation from the other side that we were able to get in this very enlightening half hour this afternoon on the bill. I am sure we will go on to make a great deal of progress tomorrow, and I thank the members of the committee for this co-operation.

Mr. Andre: Then may I call it six o'clock.

[*Translation*]

The Assistant Deputy Chairman: Order. It being six o'clock, I must rise, report progress and request leave to sit again at the next sitting of the House.

Progress reported.

[*English*]

The Acting Speaker (Mrs. Morin): It being six o'clock I do now leave the chair until tomorrow at 2 p.m.

At 6.02 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, December 5, 1974

The House met at 2 p.m.

[*English*]

PRIVILEGE

MR. MUNRO (HAMILTON EAST)—NEWSPAPER ARTICLE ALLEGING CAMPAIGN CONTRIBUTION SOLICITED FROM SEAFARERS' INTERNATIONAL UNION

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I rise on a question of privilege. The *Globe and Mail* this morning carried a headline which reads "Munro phoned SIU for money: police". The story under the headline says that I solicited a campaign contribution from the Seafarers' International Union. It goes on to say that some source suggested I initiated the call. This is totally false, Mr. Speaker. The facts are that Mr. Gralewicz telephoned my campaign office at a time when I was not available. I returned his call subsequently and it was during this conversation that he offered campaign support to me. I did not at any time solicit support from the SIU. As the House knows, my campaign organization received a contribution from the SIU but it was returned several weeks later.

● (1410)

Hon. Martin O'Connell (Scarborough East): Mr. Speaker, I rise on the same point of privilege. I apologize to the Chair for not giving notice that I wanted to speak on the question of privilege. Allegations in the same context were made about me when I was Minister of Labour in 1972 to the effect that I received affidavits and documents from persons in the Seafarers' International Union concerning alleged violence and did nothing about it. I did something about it at that time and the Department of Labour heard nothing more from those people after that point. I will be glad to describe what I did at that time. It resolved the matter, at least at that time.

It is also said that I appointed Mr. McLaughlin, president of that union, to the ILO or to the United Nations. I did not do so. It is also said by Mr. Shulman and in the press that certain affidavits were supplied to me. I am informed by the Department of Labour that the specific one mentioned in the press was not received by me. There are many allegations going about in this situation. I want to clarify my own position in it.

Some hon. Members: Hear, hear!

Mr. Baldwin: Are there any more confessions?

MR. MACKAY—CANCELLATION OF MEETING OF COMMITTEE CONSIDERING ESTIMATES

Mr. Elmer M. MacKay (Central Nova): On a question of privilege, Mr. Speaker. I have just been informed that the scheduled proceedings of the Committee on Miscellaneous Estimates called to consider the supplementary estimates in connection with transport have been cancelled. I believe this is true with respect to the consideration of several other supplementary estimates, and since this concerns a matter so fundamental to the work of parliament, the examination of supplementary estimates, I should like to move—and I hope other members will support me:

That the way the scheduling has been carried out, the abrupt cancellations, and so on, be referred to the Committee on Procedure and Organization for further study.

The hon. member for York-Simcoe (Mr. Stevens) raised this matter earlier. In my opinion the way in which this has been done is most unsatisfactory.

Mr. Speaker: The hon. member has raised, without notice, a question of privilege, supported by only a very brief development of his argument. I have not noticed any other members who seem prepared to make any contribution. The hon. member has referred to the sudden cancellation of a standing committee meeting. Unless possessed of much greater detail it would be impossible for the Chair to hold that a valid question of privilege arises in respect to the proceedings of committees, certainly in respect to the scheduling of meetings or to the cancellation of a scheduled meeting. The Chair does not know the reason the meeting was cancelled and, in the circumstances, it would be most difficult to find there was a prima facie case of privilege.

This is not to say that the subject, one which has been raised on other occasions by hon. members in the last few days, is in any way less important. The question has been referred to not only by the hon. member but by two other hon. members in the last two days in the light of the fact that under the rules the time allowed for the examination of these estimates has been so greatly reduced. I hope all members on both sides of the House feel that this is an important restriction on the opportunity afforded them to carry out the important task of detailed examination of these estimates.

In this context, I repeat that it was comforting to all members, I am sure, to have the assurance of the President of the Privy Council that this whole subject of the examination of the estimates is to be considered at an early date by the Standing Committee on Procedure and Organization.

Oral Questions

ROUTINE PROCEEDINGS

[*English*]

NATIONAL CAPITAL

TABLING OF COPY OF PLANNING CONCEPT ENTITLED "TOMORROW'S CAPITAL"

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, under the provisions of Standing Order 41(2) I wish to table copies in both official languages of a planning concept for the national capital region entitled, "Tomorrow's Capital".

* * *

AIR CANADA

SUGGESTED REFERENCE TO COMMITTEE OF LABOUR DIFFICULTIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise to propose a motion under Standing Order 43 on a matter of urgent and pressing necessity, involving our national airline. Members of the Canadian Airlines Employees Association have just walked off their jobs in Winnipeg in protest over labour-management relationships at Air Canada. As this is the second occasion since the 81-day strike last year, the effects of which are still being felt, and since I am reliably informed that serious internal problems exist at upper management levels in Air Canada as well as difficulties with our airline's current capital budget, not yet approved by cabinet, I move:

● (1420)

That the Minister of Transport immediately refer these matters to the Standing Committee on Transport and Communications for appropriate consideration and action.

Mr. Speaker: Order, please. The House has heard the terms of the motion. It being proposed pursuant to Standing Order 43 it cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be debated at this time.

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—DATE WHEN MINISTER OF LABOUR BECAME AWARE OF ALLEGATIONS OF VIOLENCE DURING TERM OF HIS PREDECESSOR

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Labour. I should like to ask him when he first became aware of the letter from the seamen's reform committee to his predecessor, who spoke on a question of privilege this afternoon, allegedly accompanied by massive affidavits alleging violence and requesting an investigation before any more violence occurred, and of the reply by an executive assistant to his predecessor following a meeting with some officers of the department to the effect that the Department of Labour had no authority to investigate the internal affairs of the union. When did the Minister of Labour first become aware of these matters?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I cannot say the precise time because that would be impossible in terms of memory. I do recall some time ago talking to some of my senior officials and asking them when notice came to me of allegations against the SIU. I asked whether any such allegations or complaints had been made to the department, and my officials informed me that, subsequent to my being a minister, such complaints were made—I believe they indicated two or three—and they went on to say they had taken the appropriate action at the time with respect to them.

I have since checked as late as yesterday what action was taken at that time, having been advised that appropriate action had been taken, and I was told that the matter was, firstly, referred to the so-called watchdog committee of the Canadian Labour Congress, and secondly, that they had recommended that the matter be turned over to the police. They felt that that was appropriate advice and conduct on their part at the time these complaints came to their attention. The former minister may wish to amplify, but I believe that is the situation.

Mr. Stanfield: Mr. Speaker, perhaps the minister would try to refresh his memory as to whether he received this intimation before the election campaign or after. As a supplementary question I should like to ask the Solicitor General this. In view of the information just given by the Minister of Labour that the Department of Labour turned this information over to the police, presumably through the Department of the Solicitor General, how—

Mr. Munro (Hamilton East): Mr. Speaker, on a point of order, if I may, I did not say that when these complaints were made some time ago when I was not Minister of Labour that they were turned over to the police. I said that the officials advised me that they recommended to the people that they turn the matter over to the police themselves.

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—POLICY OF GOVERNMENT WHEN COMPLAINTS OF UNION VIOLENCE RECEIVED

Hon. Robert L. Stanfield (Leader of the Opposition): I thank the minister for his correction because I did misunderstand him. Therefore I ask the Acting Prime Minister whether it is the policy of the government, when one of its ministers receives a complaint alleging violence in connection with a union that has previously been investigated for violence and the minister is asked to take action before further violence occurs, simply to state to the complainants that the department in question has no authority to

conduct an investigation into the internal affairs of the union and to send the complainant off to the police?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think the answer I must give is that under the circumstances prevailing at that time the Minister of Labour acted very well, indeed.

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, is it therefore the view of the Acting Prime Minister, and the policy of the government, that when a complaint like this in connection with a union over which the federal government has general jurisdiction is received, the government should not conduct any further investigations itself but simply wash its hands of the whole affair?

Mr. Sharp: Mr. Speaker, I think it greatly depends upon the circumstances. The Leader of the Opposition has asked a question about general policy. I should think that in each particular case it would be necessary to make a judgment, and I think that the Minister of Labour and his department exercised good judgment in the circumstances. I have heard nothing to the contrary.

Mr. Baldwin: We challenge that judgment. We think it was very bad.

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—INSTRUCTIONS GIVEN TO ROYAL CANADIAN MOUNTED POLICE IN RESPECT OF INVESTIGATION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, arising out of the answer of the Minister of Labour, I should like to put a question to the Solicitor General regarding the investigation and the statement of the Deputy Prime Minister yesterday that "the RCMP have been invited to investigate and are investigating allegations that affect the reputation of federal officials or ministers". In precise and concise terms will the Solicitor General tell us what instructions were given to the RCMP in respect of the investigation and what were they to investigate; violence on the waterfront, the SIU, the reputation of government ministers or senior officials—just what were the instructions and who gave them to the RCMP?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I did not give any instructions. Following an approach by the Minister of Labour I asked the RCMP to investigate the allegations made by Mr. Shulman of the Ontario legislature. They came back to me later and said that these investigations covered some matters that were not under their jurisdiction, but they would investigate fully all allegations relating to misconduct on the part of federal officials or elected members of parliament and ministers. That is what they are investigating. They said the aspects relating to violence between individuals were matters for the Ontario Attorney General and the police of the province.

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—REQUEST FOR NAMES OF MINISTERS INVESTIGATED

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I thank the minister for his answer. Will he now tell the House in plain, concise and precise terms the names of the ministers of the government who were subject to any investigation by the RCMP?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, there were no ministers named. I asked the RCMP to check into the allegations by Mr. Shulman. His allegations have been very vague. I think one of the members on this side said yesterday that he revealed part of the allegations day by day, like taking a rabbit out of a hat, and then there was no rabbit. His allegations were very vague. He recently mentioned my name and the name of the Minister of Labour. I tried to deal with that and said there was nothing there, but there has been no allegation made by Mr. Shulman directly involving members of the cabinet or officials of the government.

Mr. Woolliams: Mr. Speaker, I wonder if I might follow that up with just one further question? In view of the minister's answer, and having seen the report of the RCMP which was discussed yesterday in the House, what ministers were investigated in reference to the allegation of this Mr. Shulman and the waterfront coverup?

Some hon. Members: Oh, oh!

Mr. Allmand: Mr. Speaker, the Minister of Labour requested that the RCMP investigate the allegations of Mr. Shulman and the deputy minister did the same thing in writing to the Commissioner of the RCMP. As a result of that request the RCMP visited Mr. Shulman to get from him whatever evidence he may have. While he told them his story he did not give them any documents, transcripts, tapes or anything whatsoever. The RCMP then went to the provincial authorities of Ontario and the Toronto Metropolitan Police and obtained certain material. They gave me the interim report and are still continuing their investigation.

● (1430)

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—REQUEST FOR INDUSTRIAL INQUIRY COMMISSION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Labour. It is based on the clear precedent of 1962 when, in the light of continuing trouble on the waterfront, an industrial inquiry commission was established under section 56 of the Industrial Relations and Disputes Investigation Act, which provision now is section 159 of the Canada Labour Code. In order that this whole matter of corruption on the waterfront, charges of violence and all the other charges might be thoroughly investigated on a broad basis, is the Minister of Labour now prepared under section 159 of the Canada Labour Code to establish an industrial inquiry commission?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, as I indicated on several occasions in this House, I would be prepared to consider such an inquiry at a later stage but at the moment the matter is under investigation

by the RCMP. It seems reasonable to me that the government should have the revelations of that investigation and the details thereof before deciding whether or not an inquiry is warranted, and that is what we are waiting for.

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—SUGGESTION SOLICITOR GENERAL SECURE COPIES OF TAPE OF TELEPHONE CONVERSATION FROM TORONTO POLICE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, not accepting the argument that now is not the time to appoint an industrial inquiry commission, if what is being pursued is an investigation by the police, may I ask the Solicitor General if he will ascertain whether the Royal Canadian Mounted Police have secured or will secure copies of the tapes made of telephone conversations which apparently have been obtained by the Toronto Police.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the RCMP at last report had a transcript of one taped conversation which was given to them by the Toronto police. So far as I know, that was the only one the Toronto police felt was of relevance in respect the RCMP inquiry. I might point out that the Toronto Police themselves and perhaps the Ontario Provincial Police were investigating the question relating to violence between certain members of the SIU. One would have to check with them to find out the evidence they have.

Mr. Stanfield: On a point of order—

Mr. Speaker: The hon. member for Winnipeg North Centre on a final supplementary.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in view of the fact that what some of us are asking for is a broad inquiry into the whole matter, will the Solicitor General make sure that the Royal Canadian Mounted Police get transcripts or copies of all tapes obtained by the Toronto police or the Ontario Provincial Police in respect of SIU matters.

Mr. Allmand: Mr. Speaker, I understand that the Minister of Justice has contacted the Ontario authorities to get that evidence, and when he gets it we will see if such a public inquiry is necessary. Let me say that if there is substantial basis for a public inquiry I presume the government will have one, but thus far no evidence has been given which would substantiate such an inquiry.

Mr. Stanfield: On a point of order, Mr. Speaker, the Minister of Labour, if I understood him correctly, just said he was deferring any decision on a request for a public inquiry until the police inquiry into the violence had been terminated, whereas the Solicitor General yesterday and again today indicated to the House quite clearly he thought that the police inquiry was not into violence on the waterfront but simply into charges relating to federal officials or ministers or things right around here. I have to say I think we are being led down the garden path.

Mr. Allmand: Mr. Speaker, on a point of order to clarify this matter, the RCMP are investigating questions relating to possible corruption in respect of federal officials or members of parliament and the Ontario Provincial Police and the Toronto Metropolitan Police are investigating those matters relating to violence in respect of individuals on the waterfront.

[Mr. Munro (Hamilton East).]

Mr. Speaker: Order, please. The hon. member for Bellechasse.

* * *

[*Translation*]

PENITENTIARIES

MONTMAGNY—CONSULTATIONS WITH QUEBEC REGARDING CLOSING OF DISTRICT JAILS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, may I put a question to the Solicitor General?

Since the jail of Montmagny will soon be closed, may I ask the minister if the federal government gives a financial contribution for maintaining and building district jails, and if yes, can he tell the House whether he had consultations on this with the authorities of the Quebec government?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, we have signed an agreement with the province of Quebec and other provinces for the exchange of facilities. We have had discussions with the province of Quebec about using some of their facilities where they are no longer needed or where there is a small prison population. I would have to get information on that particular institution and report to the hon. member.

* * *

LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—REQUEST FOR NUMBER OF COMPLAINTS AGAINST UNION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask the Acting Prime Minister if he would obtain from the Minister of Labour and the Solicitor General and from their department particulars as to the number of incidents in which complaints of violence, intimidation or improper conduct have been made in respect of the Seafarers' International Union in recent years so that despite the sensitivity of the government in respect of conducting any judicial inquiry this House may form some opinion as to the need for such an inquiry.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am sorry but I do not quite understand what kind of incidents the hon. member was inquiring about. Is he talking about violence on the waterfront or allegations made by Mr. Shulman?

Mr. Baldwin: On that point of order, I am inquiring about incidents on the waterfront which have been matters of national notoriety over the past few years. Would he inquire of the ministers involved, who may not have been ministers at the time, about the number of incidents

of complaint that were made directly or indirectly involving these matters of improper conduct, violence and intimidation.

Mr. Sharp: I will undertake to do that. I should say that the Minister of Justice is trying to obtain up-to-date information in the hands of the provincial authorities on this question which would be available to the federal government. That would be considered a more reasonable way to go about the process rather than resurrect incidents from the past which may no longer be relevant.

* * *

ROYAL CANADIAN MOUNTED POLICE

JURISDICTION TO INVESTIGATE INCIDENTS OF VIOLENCE

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, through you I should like to direct a question to the Solicitor General. Yesterday the Solicitor General indicated it was not within the jurisdiction of the RCMP to investigate matters of violence. On that ground I wonder whether the minister could explain why his department and the RCMP have changed their approach when in fact in 1972 the RCMP did all the research and initiated the prosecution of Geza Matrai who assaulted Mr. Kosygin in the city of Ottawa. If that is a matter—

Mr. Speaker: Order, please. The question seems clear and direct enough for the Solicitor General to reply.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, it seems that that was a case involving a guest of this country and there were external affairs implications and so on. The RCMP had jurisdiction. I want to make clear to the House that I did not suggest that the RCMP didn't have jurisdiction over the violence aspect of this case. They decided that they did not have jurisdiction and I did not press the matter with them. With regard to the previous question, not once since I have been Solicitor General has anyone approached me in respect of any allegations against the SIU. Mr. Shulman knew where my office was and never once made any attempt to see me.

● (1440)

Mr. Dick: Mr. Speaker, I have a supplementary question. I readily accept the minister's response that in the case of the attack on Mr. Kosygin there was certain national importance. Is it the view of the minister that this matter of violence on the waterfront by a union controlled under the legislation of this federal government is not a matter of national importance?

Mr. Allmand: Mr. Speaker, I am not the principal law-officer of the Crown, I have been advised where it is a case of violence between individuals, questions of assault and so on, this is a matter for the provincial attorneys general and they are very jealous of their jurisdiction.

An hon. Member: When it is dangerous you leave it to the provinces.

LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—SUGGESTED COMMITTEE DETERMINATION OF NECESSITY FOR INQUIRY COMMISSION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, as I understand it, the evidence that is going to be gathered by the police forces involved in the investigation both of violence and possible corruption, is going to be reviewed simply by one or two of the ministers. It seems to me that since the ministers may be directly involved that this matter of investigating these reports should be done more openly. I wonder whether consideration would be given, in the interest of doing this in the open, to having a parliamentary committee assess that evidence to determine whether a further inquiry commission is required rather than just letting the minister do that himself?

Mr. Speaker: Order, please. The hon. member failed to direct his question to any minister.

Mr. Yewchuk: I am sorry, Mr. Speaker. The question was directed to the Acting Prime Minister.

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker, I do not think that would be a useful suggestion at the present time. I think we ought to have more facts and less gossip.

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—EVIDENCE RECEIVED BY RCMP INVOLVING CABINET MINISTERS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question for the Solicitor General arises from the exchange between him and the hon. member for Calgary North who asked for the names of ministers being investigated. The minister's response was that Dr. Shulman supplied no information on specific ministers. In light of the statement by Dr. Shulman as recorded in the Ontario *Hansard* as follows:

> Roman Gralewicz, president of the SIU in September of 1974 when interviewed by police officers from two forces, boasted to them that they could do nothing to the SIU because he had a senior cabinet minister "in his pocket". He then named the minister. It was not Mr. Munro. It was not Mr. Allmand. In the course of the same statement, Gralewicz also spoke of the union's close connection with other members of the cabinet. The RCMP have a copy . . .

Some hon. Members: Question.

Mr. Speaker: Order, please. Does the hon. member have a question for the Solicitor General?

Mr. Beatty: Yes, I have, Mr. Speaker. In light of this assertion by Dr. Shulman and the further assertion he makes that "The RCMP have a copy of Gralewicz's statement," can the minister state categorically that the RCMP have not received any such police report dealing with bragging by Gralewicz that he had a senior unnamed cabinet minister in his pocket?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I am sure the RCMP are also aware of this statement and they will visit and inquire from all persons named in the report and obtain what information they have. I am

saying the RCMP are carrying out this investigation. They will approach the people mentioned as they feel it necessary to do so; they are independent in this investigation; they will pursue whatever course they think necessary. In response to the last question, Mr. Speaker, if the RCMP or the Ontario police forces see that wrongdoing has taken place they will lay charges and prosecute.

Mr. Beatty: Mr. Speaker, a supplementary question. May I ask the minister whether he is changing his previous assertion that no allegations were made specifically about any cabinet minister and if in fact allegations were made and the RCMP has evidence as to the particular ministers involved, will the Solicitor General disclose the names of the ministers under investigation?

Mr. Allmand: Mr. Speaker, as I said earlier, when the RCMP went to Dr. Shulman he did not provide them with any documents or affidavits. He told them his story. In the Ontario legislature he did refer to me and he told several lies extremely—what I call very serious falsehoods and he also referred to the Minister of Labour. Now, I am sure that the RCMP will pursue some of the information that was raised by Mr. Shulman in the Ontario legislature and rightly so.

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—REQUEST FOR TABLING OF ALL DOCUMENTS

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I have a supplementary to my previous question. In the interests of ensuring that this whole matter is investigated in the open, would the Acting Prime Minister consider tabling all of the documents related to this matter—documents, tapes, transcripts, letters, communications of any kind?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker. I would not adopt that suggestion and I am sure the hon. gentleman would be just as concerned as I would be about the correctness of tabling documents in this House which might involve the civil rights of many individuals. I am sure he would feel that a question like that has many implications that would be very, very important to members of this House and all Canadian citizens. I do not think my colleague, the Minister of Labour, would have any objection to those tapes being tabled but I believe there are many people in this country who would take very serious exception to that procedure.

Mr. Baldwin: Never have I seen so much virtue.

* * *

CONFLICT OF INTEREST

POSSIBLE CONFLICT FOR MINISTER OF LABOUR ARISING FROM INVOLVEMENT WITH SEAFARERS' INTERNATIONAL UNION—ADVICE OF PRIME MINISTER

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Labour. In view of the Prime Minister's statement of December 18, 1973 that "A minister has an obligation to seek the advice of the Prime Minister on any matter concerning a conflict of interest in which he may be in doubt", would the minister indicate if he sought the advice of the Prime Minister, on what date did he seek the advice and what was the advice of the Prime Minister concerning the possibility of a conflict of interest involving the minister and the SIU situation?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, as I have indicated several times, I did not consider campaign contributions coming to members of parliament or ministers in the process of a campaign as in any way putting that member of parliament, or that cabinet minister, in a position of conflict.

An hon. Member: Why did you send it back?

Mr. Munro (Hamilton East): It was, therefore, unnecessary to consult the Prime Minister.

POSSIBLE CONFLICT FOR SOLICITOR GENERAL ARISING FROM INVOLVEMENT WITH SEAFARERS' INTERNATIONAL UNION—ADVICE OF PRIME MINISTER

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, as a supplementary, I should like to put substantially the same question to the Solicitor General. Did he consult and ask for the Prime Minister's advice concerning any possible conflict of interest involving himself and the SIU situation?

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker, I did not. I got a contribution from them during the election campaign. Of course, at that time hon. members opposite thought they were going to form the government. I notice, Mr. Speaker, that the SIU gave donations to members of all parties in this House. My campaign cost $13,000, the SIU gave me $500. I did not consider that a conflict of interest.

Mr. Baldwin: That is why you took it. You did not think you would be in the government.

* * *

THE MINISTRY

POSSIBLE TRANSFER OF DUTIES OF SOLICITOR GENERAL AND MINISTER OF LABOUR AS RESULT OF INVOLVEMENT WITH SEAFARERS' INTERNATIONAL UNION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my supplementary is directed to the Acting Prime Minister. In view of the statements made in answer to my earlier questions both by the Minister of Labour and the Solicitor General, and in view of the allegations and innuendos surrounding the present Minister of Labour and the Solicitor General of Canada with respect to the SIU, would the Acting Prime Minister indicate if consideration has been given to rearranging or transferring from those two ministers their duties with respect to the SIU and related matters under the provisions of the Public Service Rearrangement and Transfer of Duties Act and if so, to what ministers is it proposed to transfer their duties at least in the interim until an inquiry may begin?

Hon. Mitchell Sharp (Acting Prime Minister): The answer is no, Mr. Speaker. I would remind the hon. gentle-

man that the people of Canada decided it was better to have ministers on this side of the House than from his party.

Mr. Speaker: The hon. Solicitor General on a question of privilege.

Mr. Allmand: Mr. Speaker, on a question of privilege, I want to reject very strongly the insinuation that because I received an election contribution from the SIU I was tardy or negligent in my responsibility. The only time someone asked me to investigate the SIU was last week and it was from a distance, in Ontario. The very next day, through the Minister of Labour, we carried out that investigation. There was no tardiness and no neglect whatsoever.

● (1450)

Mr. Stanfield: Mr. Speaker, I rise on a question of privilege, in response to the remarks made—

Some hon. Members: Question, question.

Mr. Baker (Grenville-Carleton): This is a question of privilege. Have they not heard of that over there?

Mr. Speaker: Order, please. It has been the habit of the House to hear both sides of an alleged question of privilege. The Solicitor General was listened to a moment ago; I think the Leader of the Opposition ought to be listened to now.

Mr. Stanfield: Mr. Speaker, they may have won the government but they do not occupy the chair of the House. I say, in response to the question of privilege which the Solicitor General raised, that it is clear the Solicitor General or Minister of Labour were involved in a conflict of interest—

An hon. Member: Make a charge!

Mr. Stanfield: —in accepting contributions when there was reason to believe that a matter might come up in their departments in connection with the contributions.

Some hon. Members: Oh, oh!

Mr. Stanfield: Earlier this afternoon I asked the Minister of Labour when he first learned of the matter which his predecessor claimed to have dealt with satisfactorily. I did not obtain a definite answer from the minister. I say to the Solicitor General and to the Acting Prime Minister that if I were Prime Minister of this country, I would have grave doubts—and I do not cast aspersions on any individual minister—whether the minister who had received a contribution from the union in question ought to be in charge of the investigation.

Mr. Munro (Hamilton East): Mr. Speaker, I rise on a question of personal privilege. You know, by his statements, the Leader of the Official Opposition has impugned, by implication, the integrity of a minister of the Crown, when he knows full well that members of governments and members of provincial legislatures—he was a provincial premier—receive contributions from companies, unions and individuals during election time.

An hon. Member: Why did you send your contribution back?

Mr. Munro (Hamilton East): These contributions have never been regarded as involving the substance of a conflict of interest. Persisting in this way with innuendo and implications to question the integrity of a minister of the Crown is cowardice. When, I ask the Leader of the Opposition, will he have the courage to make a charge? If he has the courage to make a charge, let him make a charge.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): And let him take the consequences if he cannot substantiate that charge.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. We are discussing the question of privilege raised by the Solicitor General. I see the minister rising. I am not disposed to hear from the same hon. member twice on the same question of privilege. I understand that the hon. member for Nanaimo-Cowichan-The Islands wishes to contribute.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I wish to comment on this question of privilege. It seems to me important for parliament and the whole parliamentary process that the government not only be deemed by itself to be right but that it appear to the public to be right. Previous answers indicate that the RCMP are carrying on an investigation. We have confidence in them to do their duty. The point at issue, however, is this: When the report of the RCMP becomes available to the government, the very people whose integrity has been called in question will be deciding what disposition will be made of that report.

Mr. Fairweather: Right on.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): I submit, through you, Sir, to the government that this matter can be cleared up if the government were to assure the House that when the report of the RCMP has been completed and all the facts have been gathered, the report will either be made public or placed before a committee of this House so that the public can be assured that evidence adduced by the RCMP will be the basis for an unprejudiced decision as to whether further action and investigation is required.

Mr. Allmand: Mr. Speaker, I rise on a point of order—

Mr. Speaker: Order, please. The House is considering the question of privilege raised by the Solicitor General concerning, as I understand it, some insinuations against him in respect of the carrying out of his duties. Certain questions raised by hon. members may involve insinuations. However, all the questions, and I have listened carefully, have, in my opinion, been orderly questions concerning the inquiry into an important subject. In situations like this there are always insinuations of some sort

connected with questions. It seems to me that the questions asked have been to the point, as have been the answers. The situation is being clarified as the questions and answers come forward. It seems to me that this is good parliamentary exercise, but I cannot recognize in it the ingredients of a question of privilege respecting the rights, conduct or the ability of a member to function as a member of the House of Commons. When the Solicitor General rose on his question of privilege, there were about 12 minutes remaining in the question period, and I was about to recognize the hon. member for Sault Ste. Marie.

Mr. Allmand: Mr. Speaker, I rise on a further question of privilege. When the Leader of the Opposition responded to my remarks, he said something which I feel raises another question of privilege and which I should answer. He said he felt that I, as Solicitor General, was involved in a conflict of interest in the carrying out of my duties as I was in charge of the investigation being carried on by the RCMP. That is completely false, as anyone familiar with the RCMP act and the traditions of parliament will know. The RCMP carry on these investigations themselves. If they see fit to lay charges and prosecute, they can do so without consulting me in any way. They direct their own investigations. I do not direct their investigations.

Mr. Stanfield: Mr. Speaker, I will be brief. I simply assert, in response to what the Solicitor General said, that in a situation like this the Solicitor General, in my judgment, ought not to be in charge of this investigation and reporting to the government in that regard.

* * *

LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—REQUEST FOR PUBLICATION OF TERMS OF REFERENCE AND FINDINGS OF INQUIRY

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is directed to the Solicitor General. As the Solicitor General is ultimately in charge of the inquiry, both from the point of view of the terms of reference of the inquiry and of his acting upon the findings of the RCMP, will the minister inform the House if he will make public the terms of reference of this inquiry and the findings?

Mr. Fairweather: And the result.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, in reply to that assertion, may I say that I am not in charge of the disposition of the findings. The police, if they find evidence on which to lay charges, will see what charges are to be laid. They do not need my permission to lay charges, and it would be wrong if they did, because that might involve a conflict of interest. The hon. member, in the second part of his question, asked if I would make the report, which the RCMP would give me, available to the House. The RCMP do not usually report to me on investigations. They conduct an investigation and, if there is evidence on which to lay charges, they lay charges; if there is no evidence, they will not do so. When I ask them for a report, they usually give it to me, but it is against all tradition to table police reports in the House of Commons.

[Mr. Speaker.]

• (1500)

Mr. Symes: Mr. Speaker, I have a supplementary for the same minister. In view of the fact the RCMP gave the minister an interim report on the investigation and in view of the fact federal cabinet ministers are involved, I should think the minister would want a report from the RCMP on this. Again may I ask the minister whether he will make the conclusions of that report public so that any suspicion of this House and the country can be allayed that proper investigation is not being carried out?

Mr. Allmand: Mr. Speaker, I will give serious consideration to making the conclusions of the report available to the House.

[*Translation*]

Mr. Fortin: Deo gratias! Mr. Speaker, I do not remember what I wanted to ask.

As for the question of privilege raised a while ago, I note that there are some doubts in various quarters. If there is nothing to hide, Mr. Speaker, an inquiry should be launched in all honesty to satisfy public opinion and to prove to the Canadian people that Parliament can work quickly to pass legislation.

Mr. Speaker, I would like to say to my colleagues on both sides of the House who are hurling charges at one another that I feel that innocents are not more numerous on one side than on the other. There are just as many on both. They are both financed by the same sources. If those members came more often in Quebec, they would be aware that we are used to inquiry commissions. We even have a premier who is—

An hon. Member: Mind what you will say!

Mr. Fortin: Oh yes! That has become the main industry in Quebec, Mr. Speaker.

The premier of Quebec who is now in France has spent $500 million of the money collected from taxpayers to buy his welcome there. Nobody says anything. At the House of Commons, Tories and Whigs have the same source of funding, throw accusations at one another, refuse to make investigations while I wait to ask my question.

* * *

FINANCE

EXCISE TAX ON HEAVY VEHICLES IN WAREHOUSE

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a question for the Minister of Finance. After all, Mr. Speaker, he is the one who administers the governments financed by campaign funds, so he will understand what I mean.

The Minister of Finance recently tabled a budget that could have very serious consequences for some citizens. Not long ago, I asked him a question about boat manufacturers. I should like to put the same question to him today, with regard to vehicles of more than 16,000 pounds, that are stored in yards and to which the sales tax removal cannot be applied.

I would like to ask the Minister of Finance, since he already told me that after Christmas holidays we can discuss bills on that matter and move amendments, whether he could give us the report of the studies made by his department and likely to explain the implications of the taxes proposed in the last budget?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think we will be discussing that bill tomorrow, with the consent of the leaders of the House, and that would be quite an appropriate question for the committee of the whole.

Mr. Fortin: Mr. Speaker, I have a supplementary.

Could the Minister of Finance provide us with figures as regards the forecast of his department about the implications of those taxes?

Mr. Turner (Ottawa-Carleton): I think such a question would be appropriate tomorrow, or when we get to the study of that specific clause of the bill before the House. I will then be ready to answer the hon. member's question.

* * *

[*English*]

AGRICULTURE

EGGS—POSITION OF BRITISH COLUMBIA WITH REGARD TO EGG MARKETING BOARD—CONSULTATION WITH MINISTER

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. It is not with regard to his activities with the SIU.

Some hon. Members: Oh, oh!

Mr. Anderson: Yesterday it was announced that the British Columbia Egg Marketing Board was giving notice of its intention to quit CEMA as of 1976. Will the minister advise the House whether any dialogue has been carried out with the minister of agriculture for the province of B.C. to determine whether that province was in agreement with the stand taken by the egg marketing board.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the minister of agriculture for British Columbia was here a week ago Monday. At that time I talked with him about this matter. I gained the impression he was determined to see national egg marketing continued in Canada and that the B.C. egg producers and their board should stay in the marketing plan. Since that time I have not seen anything other than a report in the press. I do not know whether to put very much confidence in that report. According to the report in the press, he seemed to be of the same opinion on Monday of this week. However, we will check with him directly as soon as possible. Unless he has changed his mind, he appeared to be very strongly in favour of national marketing.

LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—PERSON DIRECTING SOLICITOR GENERAL TO DISCUSS RCMP INTERIM REPORT WITH CERTAIN MINISTERS

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Acting Prime Minister. It involves the interim report of the RCMP about which we have heard. Yesterday the Solicitor General said, and I believe I am quoting him correctly, that he was asked to discuss the report with the relevant ministers and the Prime Minister and he in fact discussed it with the Prime Minister as it was his responsibility to do so. Will the Acting Prime Minister tell the House who asked the Solicitor General to take that rather extraordinary course of action, on what authority and what responsibility he had to discuss that interim report with the Prime Minister?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it seems to me that yesterday the Solicitor General corrected his language. He inadvertently used these words. He did not intend to and he corrected the record.

Mr. Jarvis: Mr. Speaker, I might give the Solicitor General a chance to correct it again. My supplementary question is also to the Acting Prime Minister. Yesterday the Solicitor General, if he was quoted correctly, called the member of the Ontario legislature a muckraker who has no respect for the truth. In light of the obvious bias in this matter which was demonstrated by those words, is it not rather obvious that the Solicitor General is not competent to undertake this investigation? In view of this, will the government now undertake to set up an independent and public inquiry?

Some hon. Members: Hear, hear!

Mr. Speaker: With all due respect to the hon. member, he surely is repeating a question that was put on at least two previous occasions, once specifically by the hon. member for York-Simcoe.

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—REQUEST FOR NAMES OF MINISTERS INVOLVED IN RCMP INVESTIGATION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is to the Solicitor General. In light of the revelations made by Dr. Shulman in the Ontario legislature, can the Solicitor General inform the House whether he has asked the officials of the RCMP if they have taken part in interrogations and determined that a senior cabinet minister is in the bag? Also, has he asked the RCMP officials to supply him with the name of that senior cabinet minister and can the Solicitor General tell us that name?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I tried to explain before that I asked the RCMP to investigate all allegations made by Mr. Shulman in the House or out of the House, wherever he made them. It is up to them. They are trained policemen. They know how to conduct investigations. I do not tell them who to contact or not contact when making their inquiries. If I did that, I

would be interfering in a political way with a police investigation.

Some hon. Members: Hear, hear!

Mr. Oberle: Mr. Speaker, the minister has already admitted that he has received information from the RCMP involving certain cabinet ministers. Are there any other names than those that have been mentioned? Are there others such as the Minister of Transport and the Minister of Finance who are involved in the allegations?

Mr. Allmand: Mr. Speaker, I received a transcript of a tape which the RCMP received from the Toronto Metropolitan Police. This is the tape—

An hon. Member: Why did you receive it?

Mr. Allmand: The RCMP got it and they gave it to me.

Mr. Clark (Rocky Mountain): But you are not involved in the investigation.

Mr. Allmand: I am not involved in the investigation. They gave me a report.

● (1510)

Mr. Speaker, this transcript of the tape was leaked by the Toronto Police to a member of the Ontario Legislature who in turn leaked it to the press. I think this is a shocking thing. I would like to remind the House that earlier this year we spent a great deal of time debating the privacy bill and there was much concern shown here about protecting individuals who were the subject of wire taps by the police. As a matter of fact, at that time opposition members wanted to strengthen the measure to protect individuals who were the subject of wire tapping. In this case, the government responded to some of the leaked information—misinformation—which was put abroad, but in principle we are against the release of transcripts of wire taps which are made by the police in their investigations—these should be released, in my opinion, only under the conditions of the privacy bill. I hope the opposition will take the same view, because that was the position they took during the debate.

Mr. Symes: On a point of order, Mr. Speaker. The minister said earlier that he did not get involved in the investigation. But a moment ago he said he had received a transcript of the tape from the Toronto Metropolitan Police.

An hon. Member: No. He said he had received it from the RCMP.

Mr. Symes: From the RCMP. Did the minister ask for this tape or is it customary for the RCMP to report constantly to the minister on this investigation?

Mr. Allmand: No, Mr. Speaker. The House had asked me for a report. I promised to report to the House. I asked the RCMP for an interim report, and with the interim report they gave me a copy of that transcript.

[Mr. Allmand.]

ROYAL CANADIAN MOUNTED POLICE

PERSON GIVING GUIDANCE TO FORCE DURING INVESTIGATION OF ALLEGATIONS AGAINST CABINET MINISTERS INVOLVED WITH SEAFARERS' INTERNATIONAL UNION

Mr. Joe Clark (Rocky Mountain): My question is also to the Solicitor General and has to do with his rather peculiar interpretation of section five of the RCMP Act. It says clearly that the Commissioner of the Royal Canadian Mounted Police acts under the direction of the minister. Under that direction he has control and management of the force itself. Since the matter under investigation by the RCMP in this instance is one which concerns not only the law but also the propriety of conduct of ministers, will the Solicitor General advise the House to whom the RCMP must look for guidance on this question other than the chief law enforcement officer under whose direction the RCMP must act by statute?

Hon. Warren Allmand (Solicitor General): I would suggest to the hon. member that he get a legal interpretation of that section because there is a long tradition in Canada that the Solicitor General, or, before him, the Minister of Justice, the minister responsible for the RCMP, does not interfere in criminal investigations. He does not direct the force to investigate when it does not feel it should investigate, nor does it try to deter the force from investigating when it feels it should investigate. They investigate freely and openly and then they lay charges when they have the evidence. They do not clear with the Solicitor General—

Some hon. Members: Hear, hear!

Mr. Clark (Rocky Mountain): Since, according to statements made frequently in the House in the last few days, this is not simply a criminal investigation but is also an investigation into the conduct of ministers and touches the propriety of their conduct—

Some hon. Members: Oh!

Mr. Stanfield: Of course it is.

Mr. Clark (Rocky Mountain): —to whom does the RCMP in these unusual circumstances look for advice and direction other than to the minister?

Mr. Allmand: These investigations do relate to certain provisions of the criminal law. There are sections of the Criminal Code which relate to the bribery and corruption of public officials. But those matters, if they relate to federal public officials, are usually investigated by the RCMP. I must repeat that the RCMP, when undertaking investigations, does not seek my advice and direction. They were asked to investigate allegations made by Mr. Shulman and they carry out that investigation independently and freely.

Mr. Speaker: Orders of the day!

Mr. Dick: On a point of order, Mr. Speaker. A matter on which *Hansard* perhaps has something incorrect. You indicated that the Solicitor General has cleared up an error. I am wondering whether *Hansard* has it incorrect.

Although the hon. member for Hamilton East indicated that he had read the interim report, the Solicitor General indicated in the first instance that he had only shown him that portion which dealt with the wire tapping but later the Solicitor General said he had shown him the report; the answers in *Hansard* yesterday indicate that the Minister of Labour had read the entire report. Was the Solicitor General, or was *Hansard*, incorrect in copying down the Solicitor General in saying he had only shown him that aspect dealing with the taped telephone conversation?

Mr. Speaker: Order. I am sure the hon. member has asked what would have been a very interesting question had it been posed during the question period. However, it does not constitute a point of order.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Might I ask the House leader, having in mind the tremendous speed with which the House has been processing legislation, what designs he has on the time of the House between now and the date on which the government decides to recess?

Mr. Sharp: Today we shall be continuing discussion in committee of the whole on the Petroleum Administration Act and tomorrow the Minister of Finance will take two of his budget bills, perhaps the Excise Tax Act and the customs bill. If we can dispose of them, we shall revert on Monday to consideration of the Petroleum Administration Act. Tuesday is an allotted day and I hope there can be some discussion of the very popular question of conflict of interest. I trust that at the end of the day we can make the reference I have put down of the subject of conflict of interest as it affects members of parliament including cabinet ministers, and public servants to the appropriate committee.

Basically, there remains on our agenda until the time of adjournment for the Christmas recess, the Petroleum Administration Act and, of course, completion of the consideration of certain bills which are now in the standing committees or at various stages. I hope we can complete some of these bills, too.

Mr. Knowles (Winnipeg North Centre): A week ago today, the hon. gentleman indicated in reply to the third or fourth question on the matter, that we would soon see the bill in the name of the Minister of Transport calling on the railway companies to disclose certain freight rate information. Will we get that bill in 1974?

Mr. Sharp: I should not reveal what went on in cabinet today, but there was authorization to proceed with this bill so I expect that within a few days it will be before the House.

Oil and Petroleum

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

The House resumed, from Wednesday, December 4, 1974, consideration in committee of Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade—Mr. Macdonald (Rosedale)—Mr. Laniel in the chair.

● (1520)

The Chairman: Order, please. When the committee rose last evening it was still considering clause 2 of the bill and the hon. member for Calgary Centre had the floor.

On clause 2—*Definitions.*

Mr. Andre: Mr. Chairman, yesterday afternoon we were in committee of the whole on Bill C-32 and the hon. member for Qu'Appelle-Moose Mountain, speaking on behalf of this party, outlined the position of our party on this bill. Though it should not need repeating, it evidently does in view of the reaction we have had. Let me make it clear that this party still maintains the position it took in November of last year, namely, that there should be one uniform price for crude oil across Canada. We still take the position that that price should be less than the world price; but we also insist, on legal grounds, ethical grounds and on grounds of maintaining a viable and healthy Canadian unity, that this price and any future increase, as well as the question of revenue sharing, must be resolved by consultation and fair dealing on the part of the federal government and the provincial governments affected. We cannot and we will not accept the kind of confrontation, bad faith and what has been called treachery—and I agree with that word—that have been exhibited by the government.

Bill C-18, this bill's predecessor in the last parliament, was introduced after the March 27 first ministers' agreement which was heralded by the Prime Minister and all members of the House as an example of Canadian federalism at its best; an occasion when the premiers, the Prime Minister and the interested parties had sat down and worked out an agreement that was recognized across the country as fair and just. On that basis, our party was prepared to pass the enabling legislation, Bill C-18, very quickly.

However, the government chose to throw in a twist: in spite of that agreement and the good will that had overcome some of the bad will that had existed over the previous year, the government chose to throw in a veto clause. In committee this veto clause was described by Mr. Leitch, the attorney general of Alberta, as recorded at page 7 of the proceedings of the Standing Committee on National Resources and Public Works for May 7, 1974, as follows:

Far from embodying a term of the first ministers' agreement it stands as a direct negation of the principles upon which that agreement was

based. It permits the executive council to terminate an existing agreement between a producer province and the federal government or to decline to negotiate a renewal agreement and to impose by unilateral action maximum prices on a natural resource owned by a province.

This party agrees wholeheartedly. If that clause and the equivalent clause in the section of the bill dealing with natural gas were removed, we could promise very rapid passage of this legislation; we would pass it as quickly as the government would like and we could all get on with the other important legislation facing the country. It is especially galling to have the government introduce legislation like this when in its own document "An Energy Policy for Canada, Phase 1" which was tabled in July of 1973, there is advice which the government indicated to the House would be acted upon. This document was the preliminary to the government's energy policy and was considered so important that it was transported from the printers by Brink's trucks. At page 58 of that document the following appears:

That there can be no effective set of national energy policies developed without the participation of the provincial governments is readily apparent.

It then goes on to state:

Obviously, policies developed in isolation in Ottawa hold scant hope for success.

So we have in the government's own publication excellent advice, advice which this party stands wholeheartedly behind. Thus, I question why the government is incapable of following it. At page 60 I find the following:

The federal government has already assured provincial governments that it intends to obtain their views about the impact upon the provinces of possible federal energy policies before any final decisions with respect to them are reached by the Government of Canada.

What a farce! No such consultation was undertaken. Then the document goes on to underline consultation even more:

It is envisaged, however, that the participation of provincial governments in the formulation of national energy policies would involve more than was implied in that assurance.

So the government was going to do more than simply consult; it was going to work out things jointly with the provinces. If that were the case, then how does it rationalize the veto clauses in Bill C-32 which were also included in the previous bill, C-18? This is not the only example of bad faith, Mr. Chairman. Let us consider the question of price. How was the price arrived at in the first place? We all know that the September 4, 1973, price freeze was a unilateral decision, with no consultation. It occurred after a long cabinet meeting over Labour Day weekend. The federal government was forced to introduce the export tax to make this price freeze work, and they were embarrassed about it. There are several quotes in *Hansard* that I could read to the committee to indicate that the Minister of Energy, Mines and Resources had said, "Don't worry: 100 per cent of this export tax is going back to the producing provinces; it belongs to them".

Then as the export tax grew, the government became a little less generous, but said it would guarantee that the producing provinces would not lose a cent of income. Then it went to 50 per cent that the government would return to the provinces. We then had the budget in which not only did the government take 100 per cent but a good chunk of provincial royalties as well. We want to make it abundantly clear that this party is not arguing the question of royalties. We are not defending the royalties issue: That is for the provinces to decide because it is within their jurisdiction. If they are in fact too high, then indeed the government should engage in consultation with the provinces regarding fair sharing of revenue derived by the oil companies.

Instead of this, what has the government done? A week ago last Wednesday the Prime Minister, in attempting to rationalize or explain away to the House the charges of bad faith and treachery in his dealings with the provinces which had been levelled at the government, indicated that "the provinces had fair warning as to our views on revenue sharing". He then went on to say that in January of this year the federal government had tabled a document illustrating the kind of revenue sharing it would like to see. I went and dug out the file on this, Mr. Chairman, and yes, indeed, the Minister of Energy, Mines and Resources did table a document concerning pricing. I have it here. In his statement the minister said that the attached tables presented alternative ways of describing a distribution of revenue flows on crude oil production and he made the point that annual flows do not include the yield from existing fiscal regimes operating below $4. The table of figures had been presented to the conference as representing the federal government's views on the fair sharing of revenues from oil.

● (1530)

These are the figures on the basis of which the Prime Minister said the government had warned the provinces about revenue sharing. At that time the federal government indicated it would be fair for the provinces to receive 30.75 per cent of the oil revenue including export tax. These are the figures tabled by the Minister of Energy, Mines and Resources at that conference and referred to by the Prime Minister in his speech last Wednesday when he tried to explain to the House how above board and fair the government had been in its dealings in respect of revenue sharing.

What is Alberta's share? The royalties in existence as of April 1, 1974, give the Alberta government 23 per cent of that revenue as opposed to the 31 per cent the Minister of Energy, Mines and Resources indicated would be fair and just. In other words, the province of Alberta is collecting 8 per cent less than the minister indicated was fair. Those are the figures the Prime Minister gave us. This gives us an idea of what this government considers fair sharing. How can this government justify its budget of May 6 and how can the Prime Minister justify the statement he made during the budget debate? He said he told the provinces about revenue sharing but the provinces became greedy. According to the government's own figures, Alberta has not been greedy enough. I suggest this whole thing is strictly a smokescreen. What is involved here is not revenue sharing; it is power-grabbing and control. That is all that is involved. Let us not talk about bad faith and treachery. Having tabled this energy policy after bringing it in by Brink's truck, I do not know why the government did not bother to read it. It states on page 9:

No national policy can be contemplated without the fullest of intergovernmental consultations and consensus.

What consensus has there been in respect of the budget? What consensus has there been in this government's dealings with the provinces? I suggest there is no consensus because that is not what the government is after. This government is after control. What will happen if it gets control? Let us look at that matter. We have a constitution which outlines who owns natural resources, but apparently that does not matter much to this government because, notwithstanding the constitution, it intends to exercise control. Let us consider the situation to see whether there are non-legal considerations to justify the federal government taking control of natural resources.

To begin with, the government does have control over federal land north of the sixtieth parallel. This government argues that it has control over offshore resources as well. Certainly it has control over some aspects offshore. In April, 1970, the federal government withdrew land use regulations pertaining to lands under federal jurisdiction. That is over four years ago, and there have been no regulations and no royalty structure pertaining to lands under federal jurisdiction since then. These are the lands from which we will have to produce the oil and gas Canadians will need within a decade.

How competent is this government in administering that land under its jurisdiction? There has been no regulation and no royalty structure in respect of those lands for over four years. What in the blazes is holding this government back? How does it expect industry to operate when it does not explain the rules? How does the government expect anyone to invest millions and even billions of dollars when there are no regulations and the administration is as shoddy as it is?

What has been happening in terms of the industry in the last two years? In 1973 things looked bright and promising. There was great expectation in the industry in terms of exploration. Then we had the initiatives of this government. What have we today? According to a news report of the Canadian Petroleum Association there will be a drop-off to the extent of $900 million in exploration and development conpared with what was predicted at the first of the year. The Prime Minister indicated in January of this year that we would require at least $3 billion capital investment in exploration and development to remain self-sufficient. So far we are down to about one-third of that and evidently this government does not care.

The Minister of Finance says the next move is up to the provinces. Somebody ought to explain to him that these companies are not carrying out exploration on provincially administered land. Imperial Oil indicated it was cutting back $100 million in its exploration budget. Imperial Oil has not explored in Alberta for a number of years: its entire exploration work is being conducted on federally administered land. I suggest its decision was taken as a result of the last budget and this bill; it was not taken as a result of any action by Alberta. Shell Oil and most other petroleum companies have not explored in Alberta for years. The supply of oil and gas other than conventional in Canada will have to come from federally administered land and that is where the cutback in exploration budgets is occurring.

The Minister of Finance is inconsistent when he states that the next move is up to the provincial governments. He is totally ignoring what is happening and I think it is time he and the Minister of Energy, Mines and Resources made it their business to find out who in this country is responsible for making sure we have enough oil and gas to remain self-sufficient. Evidently the government does not care. What is more important to the government is who is going to get the biggest chunk of the pie. We can freeze in the dark so far as this government is concerned.

Where does this government expect the 170,000 barrels a day for the Polysar plant in Sarnia will come from, when we have cutbacks in exploration and development such as have taken place? Are we to import this oil from the Arabs? If we do, it will be the highest priced plastic in the world, and where would we sell such a product? So much is happening by way of reduction in the activities of this industry that any Canadian who has the slightest concern for the future of this country has to be deeply troubled and frustrated. Any Canadian with a modicum of intelligence must appreciate that solutions will not result from continued confrontation because the battle will simply be accelerated.

The federal government wants this bill passed so it will have a club with which to beat the provinces. The next thing will be that the provinces will take legislative initiative, then the federal government will do something else, followed by additional action on the part of the provinces. What will happen to the people of Canada? Apparently that is immaterial and the only thing that is important is power and control. That is absurd. It is about time we had a minister who is concerned about the energy supply in this country and it is about time we had a minister who is concerned about the potential of Canada.

Instead of people being concerned about their jobs in the energy industry, they should be looking forward to a tremendous future. What an opportunity we have in this country, because it is still the only country in the industrialized western world that is self-sufficient and has the potential to remain self-sufficient, yet this is the only country experiencing a decrease in exploration and development activity. What an incredible situation that is. How can this government blithely sit back and say that the next move is up to the provinces? When is the government going to accept its responsibility?

The worst thing we could do to this country is pass this bill with the veto clause. This will guarantee continued confrontation. The passage of this bill will just whet the government's appetite for power and control. It will then have control over oil and gas and the next thing will be coal, then electricity and then everything else. Then we will have the same people in control who have not been able to produce land use regulations for the north for four years. What an absurd situation, to say nothing of the fact that this clause is constitutionally illegal.

● (1540)

Mr. Chairman, any Canadian who is concerned about the loss of opportunity we are experiencing must be frustrated, bitter and disappointed. We as a party and, I think, most thinking Canadians request in the strongest terms, plead with and beg the federal government to stop these confrontation tactics, to stop grabbing for power and to sit down and negotiate openly, declaring everything rather

than hiding things in innuendoes and subtleties. We urge the government to put an end to this confrontation so that Canada can look forward to a future of which we are capable and, I believe, deserving.

Mr. Milne: Mr. Chairman, I am interested in energy, and have been for quite some time. I have followed with interest this bill and other energy measures before the House since being elected. I had not intended to enter this debate but having listened for some time to the discussion I feel I should rise and speak to some of the points about which I feel very strongly.

I understand that hon. members from the producing provinces of Alberta and Saskatchewan speak as they do concerning this bill in an effort to get the best situation they can for their provinces. One would expect them to do this and I respect them for doing so, although I do not agree with most of the points of view they have put forward. I am absolutely astounded, however, at the role played regarding this bill by hon. members opposite who come from eastern Canada. I cannot understand how the Conservative Party has solicited their support in filibustering this bill. The Conservatives have openly admitted they will filibuster it. Their spokesman on energy matters, the hon. member for Qu'Appelle-Moose Mountain, conceded as much in a story written by Victor Mackie in the Ottawa *Journal* last Monday. When asked if his party intended to filibuster the bill, the hon. member is quoted as replying: "Yes, I suppose, although politicians don't like that word".

I ask the Conservative members from Ontario, Quebec and the maritimes if they really understand this bill and if they truly appreciate the implications if it should not go through. I should like to know how they would react to this bill being withdrawn and therefore letting the price of oil in eastern Canada go up to $11.70 from $6.50, and the price of natural gas perhaps doubling. I ask what effect would that have on industry and agriculture in their ridings, and what reaction they would receive from their constituents. It was not very long ago that the hon. member for Norfolk, on the opposition side of the House, asked a question about a letter from Union Gas saying there was some question concerning security of supply of natural gas for a hospital in Simcoe, Ontario, and raising a question about the price of natural gas to the hospital.

I ask why they would raise such a question and still filibuster this bill, because this is the government's answer to the energy question in eastern Canada. I cannot understand why the Tory members from Ontario have not spoken on this bill, or why in their caucus they have not opposed the filibuster undertaken by the western members. I am sure they must have heard rumblings in their ridings concerning security of supply of gas and what the future price might be, as well as the impact created if the price of Canadian petroleum went to $11.70. Despite these concerns in their ridings, it is obvious that the Tory members will knuckle under to the filibuster tactics of the Alberta members and argue against a bill which would ensure for their constituents and all Canadians, a reasonable and fair price for oil and natural gas in the future.

The basis of this bill is to place the federal government in the position where it can consider the interests of producers and consumers. We are not opposed to raising the price of petroleum, if necessary. We are not opposed to bringing the price of natural gas closer to its value. But we are saying that someone must mediate this argument and that it should be the federal government. If hon. members opposite intend to filibuster this bill, I suggest that before doing so they look at the Toronto *Star* for November 2 and read what Pan-Alberta Gas is doing in regard to gas, the reserves it is tying up, and some of the marketing policies it would like to have. In fact, it is quoted in the *Globe and Mail* of November 5, by the same organization, that even in the really energy deficient United States, one could not afford to buy natural gas at the price at which they want to market it.

Again I ask eastern members of the party opposite how they can rationalize their position with their constituents if the bill should not pass? I think the most astounded I have been, as a member of this House, was before the budget when I heard some of the members from Alberta putting their case, and at the same time I saw the Leader of the Opposition calmly sitting there going over his Christmas card list. This was at a time when members of his own party were seriously threatening the industrial base of the maritimes. I cannot understand how that was leadership. He seemed to have no interest in his own part of Canada and sat there working on his Christmas cards while this subject was being debated.

I want to speak a little about what this means, for example, to Ontario. If this bill should not pass, the first thing that would disappear in Ontario is the greenhouse industry. It is a very large and viable industry which grows cucumbers, tomatoes, flowers, and so on. Energy represents 50 per cent of the costs of the industry. It is a marginal business now, which competes with imports from the United States. Are these members saying we should import this food and have food costs go up even further, or do they really care about the greenhouse industry, particularly any member who might have greenhouses in his riding?.

The productivity of agriculture has increased greatly. Agriculture in this country is one of the most productive in the world. One reason for this is the major shift to corn from legumes and hay crops in eastern Canada. Energy, in terms of natural gas and propane, is essential for drying corn. This year the moisture content of western corn was as high as 50 per cent. How will these members answer their constituents when they bring forward questions concerning the high cost of propane and the fact that they cannot be sure they will have natural gas to dry corn? What about the cost of fertilizer? It has already gone up dramatically. Do these members want this cost to almost double again?

I will tell the committee what has happened in Ontario. A number of farmers have already cut back on the amount of fertilizer they use and there has been a pretty dramatic decrease in the yield of corn this year on farms where this has been done. Surely the strategy of this government which must be supported by members on the other side is to increase our food supply. If we are to have increased

food production, we must have energy because energy is an essential input for agriculture.

There is hardly a town in western Ontario today which does not have a sign welcoming industry to the town and saying there is abundant, reasonably priced energy available.

Let us suppose the Canadian price of crude went to $11.70 in western Ontario, and natural gas perhaps doubled or tripled in price. Some of these industries then might be non-competitive in the export market. I can hear members on the opposite side asking the Minister of Industry, Trade and Commerce what he intends to do about this situation. I do not think that is fair. I think that if members really care about these industries in their ridings, they will say that this bill should pass.

I think, also, that surely members from the Maritimes must have a difficult time in respect of their conscience when they think about this bill. Certainly, if the price goes up to $11.70 for crude it will affect the industrial base of the Maritimes and their employment picture. If this bill is withheld, it will place in jeopardy the jobs of many people in the Maritimes. I believe that members of parliament were elected to do more than filibuster a bill that is in the best interests of all the people of Canada. I am sure that the citizens of the Atlantic provinces who sent Conservatives here expect more from them than that. The hon. member for St. John's East, the Conservative consumer affairs critic, makes a sincere plea on behalf of consumers daily in this House. We can imagine what he would have to say if the price of gasoline and heating oil jumped dramatically. He would be asking for a parliamentary inquiry. But why does he not stand up now and say that this bill is good legislation for Canadian consumers?

● (1550)

I say, again that the government is not opposed forever more to a freeze on the price of western crude. They are committed to do as good a job as possible, in consultation with the producing provinces, to gradually increase the price of natural gas; but this must be done by mediation between the consuming and producing areas. In case of a deadlock in the situation, a mediator is necessary. I would warn members from eastern Canada on the opposite side not to get sucked into the argument that they must feel sorry for the multinational petroleum companies. These companies have made millions and millions of dollars from the resources of Canada. The Minister of Finance has given them as good a—

An hon. Member: Who said that?

Mr. Milne: —tax position as any industry in Canada. If you want to side with the argument to put them in a better tax position than any other industry in Canada, at the expense of your constituents, that is your prerogative. But that is what is at stake in this bill. In conclusion, Mr. Chairman, I should like to ask hon. members opposite to think twice about filibustering this bill. Members from Ontario and eastern Canada have most to lose. On July 8, the voters were concerned about energy in eastern Canada and were perhaps concerned about the representation they were getting, so some seats changed. Voters are not very impressed with a party that filibusters a bill, and they have very long memories.

It is interesting to note that the Premier of Ontario and the minister of energy for that province are more concerned about the interests of the people in eastern Canada than the Conservative members elected to the House of Commons. I should think the Premier of Ontario has enough problems and concerns of his own without carrying the argument for eastern Canada on this issue as well. Only two out of 25 Conservative members from Ontario have spoken on this bill. The others have continually yielded the floor to members from the west. Also, the two who spoke did not take a position on the bill. Surely, in fairness to their constituents they should be putting their concerns on record.

The federal government intends to consult the provincial governments on the future price of natural gas to assure a return to producers and not to sock it to the consumers with a tremendous impact. Hon. members opposite should be very concerned about how industries and agriculture in their ridings could absorb a sudden rise in energy prices. The official opposition is on record as saying they will filibuster this bill. I think I can say, on behalf of the government, that we feel this bill is important to the majority of Canadians and we are prepared to tough it out as long as the opposition wants to sit here, because this bill must be passed: we think it is that important, Mr. Chairman.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, the hon. member who has just resumed his seat made reference to filibustering this bill. This is a very important piece of legislation and I, for one, am not going to be deterred from discussing it because someone threatens that if it is not passed quickly the price of oil and gas will be doubled. In the first place, there is an agreement that the provinces should hold the price to $6.50 until the end of June, so that part of the price structure is already fixed. My concern is that the Minister of Energy, Mines and Resources has said repeatedly that the price is going to escalate to the international price. That is what the hon. member ought to be worrying about, rather than this bill. When the bill is passed it will simply put into effect the price structure that has been in place for some time and will continue because of the agreement reached with the provinces.

In the budget debate I suggested that the Minister of Energy, Mines and Resources would be wise to withhold this bill from the House and committee of the whole until after the meetings of the ministers of finance on December 9 and 10. I still believe that. Until there have been discussions between the Minister of Finance and the provincial treasurers to see if a way can be found out of the present impasse, it will be very difficult to get agreement on the bill.

I stated the position of this party when the bill was presented to the House. The New Democratic Party supported the bill because it believes in a two-price system and in an export tax. This party believes the revenue from an export tax should be used to compensate for imported oil so that there is a uniform price across the country. Any money left in the fund ought to go into a capital fund for either the province or the federal government to search for

new oil supplies. There is no doubt, however, that since this legislation was introduced we have entered a new ball game.

On November 13 and 14 we were prepared to give the federal government the powers which it asked for in clauses 36 and 52 to set the price of oil and gas in the event a negotiated price cannot be reached with the producing provinces, but the fact that the government has now introduced legislation to take with the other hand in addition to what they are taking in this legislation creates an entirely different situation. As I said in the budget debate, we have to rethink our position. I believe there is a mistaken idea that the federal government's only revenue from the resource industry is in corporation taxes. If that were true, the federal government surely should not be reducing corporation taxes for oil companies as they have in the budget, nor should they be increasing exploration write-offs from 50 per cent to 100 per cent.

● (1600)

They should not increase exploration write-offs from 50 per cent to 100 per cent. Nobody has asked them to reduce the amount of revenue they will get from taxing oil and gas companies. One must keep in mind the fact that the federal government, through the export tax, gets $5.20 on every barrel of oil exported. That should be taken into consideration because that money is additional to what the federal government receives from corporate taxes imposed on the oil and gas producing companies.

While the provinces, the federal government and the oil industry are arguing about how to cut up the pie, we had better make certain there will be a pie to cut up. The uncertainties of the present, which will probably continue until the finance ministers meet and the first ministers meet with the Prime Minister and come to some solution, may have serious repercussions. I hope the minister will tell us—and the sooner the better—something which will help to allay the concerns of many of us. I hope he will make a statement on government policy.

A great many oil drilling rigs are leaving Canada, particularly rigs which drill for oil at great depths. This morning's newspapers say that Atlantic Richfield Company, which held 30 per cent equity in the Syncrude plant in the Athabasca oil sands, has told its partners that it will pull out of that project. This news follows the announcement by Shell Explorer of Houston, Texas, that it is dropping its 50 per cent interest in the proposed Shell plant which would operate in the Athabasca tar sands. Perhaps these companies are bluffing. Perhaps, as the minister says, they are trying to blackmail the government.

I do not shed tears for the oil companies when they say they are not making a profit. In the last two years their profits broke all previous records. But I think the country wants to know, as does this committee, what the government intends to do to ensure that when our conventional oil supplies are no longer adequate for meeting our needs, additional alternative sources of supply will be on hand. The report of the National Energy Board on availability of supply states that we will not be self-sufficient in oil by 1982. The board pins its hopes almost exclusively on additional oil supplies being available from the Athabasca tar sands. The lead time for production of Arctic and offshore oil is between ten and 15 years. The critical period will come in the early 1980s. The National Energy Board feels that our difficulties can be met because it anticipates that three plants will be in operation in 1982 in the Athabasca oil sands and four plants will be in operation by 1983.

If these plants are not in operation, and if considerable drilling is not carried out in Alberta and Saskatchewan in areas which can still be developed, we shall face a most critical situation by 1982 or 1983. I am sure the government must have some plan in mind; the minister must have in his briefcase some policy that he intends to trot out in order to meet this situation. If there is no policy, we shall be in great trouble. For too long we have closed our eyes to the fact that conventional supplies of oil in this country are declining. We cannot afford to behave like Mr. Micawber and hope something will turn up. Does the federal government, either by itself or in conjunction with the provinces, intend to make sure plants will be built in the Athabasca oil sands? Will the government, working through Petro-Can, pour money either on its own or in conjunction with the provinces into the development of areas of Alberta and Saskatchewan from which some drilling rigs have been withdrawn?

It is not enough to say that the oil companies are blackmailing us. We must decide if we are to call their bluff and if the government intends to act in order to ensure that the oil in this country, oil which belongs to the Canadian people, is developed. If the oil companies are not prepared to develop it, the people of Canada, through their federal and provincial governments, ought to develop it. That is what we ought to do. I wish the minister would tell us exactly what the government has in mind. I do not want to be told again that the matter is under consideration, that the government is still thinking about it and will keep thinking about it and some time in the distant future will come to a decision. The graphs accompanying the National Energy Board's report on availability of supply show how close we are to the danger line.

As the oil from the Athabasca oil sands will be our only assured supply, the only supply on which we can count, the construction of the oil sands plants must begin on schedule. Even so, we are placing a great deal of faith in these plants being completed on schedule as their completion will depend upon the availability of materials and manpower. We must do our best to bring these plants on stream when conventional oil supplies diminish to the point at which we are no longer self-sufficient. I hope the minister will give us assurances on these points and tell us what policy the government intends to pursue if the withdrawal from this country of oil drilling rigs continues. If Shell Explorer, Atlantic Richfield and other companies which have announced their intention of withdrawing from the Athabasca oil sands do as they say, who will fill the gap? Who will step in to make sure that the Canadian people are supplied with oil? It is useless arguing about the price of oil and how we are going to divide tax revenue derived from it if there is no oil. We had better make sure that we possess oil, the price of which we can sell and tax.

Mr. Macdonald (Rosedale): Mr. Chairman, in response to the hon. gentleman's question, I suggest that an analysis of the fiscal régime proposed by the government in

the budget will show that there is adequate financial room for the existing industry to engage in exploration and further development of oil properties, whether involving the oil sands or conventional sources, in this country as they are needed. He pointed out that there is a tendency on the part of the companies—indeed, probably a concerted plan on the part of companies having little connection with Canada, by withdrawal and spectacular announcement to attempt to change the fiscal provisions of the budget.

I deduced from the hon. member's argument his feeling that it is appropriate that the oil industry should bear the kind of share of the national cost which is suggested by the Minister of Finance in his budget. At times the hon. member, in his usual skilful way, seemed to argue both sides of the question. He suggested, I think, that a substantial share of the cost should be borne by the industry in favour of the national government, and I think it is perfectly proper to suggest that a share should be borne by the industry in favour of the provincial government. However, we believe that the return to the companies is adequate in order to continue the exploration and development they have under way. The hon. member made specific reference to ARCO and the reported announcement that ARCO will not be going ahead as a partner in the Syncrude project. I understand the other partners will be meeting with Atlantic Richfield for the purpose of defining their intentions from the standpoint of what we will do about it, I would be very interested in pursuing with the partners and, indeed, the government of Alberta the question of federal involvement in that particular project in the oil sands.

● (1610)

Over a period of time it has been made clear to us by the government of Alberta that participation by the federal government, whether by way of research, assistance in surveying or equity investment, would not be welcome in the oil sands. On the other hand, we stand ready to participate in this way. We will entertain any suggestions that the partners or provincial government might have with regard to the nature of this participation. I would say that for areas that are of significance to us, for example in the development of frontier resources whether offshore or in the north, there has been, and is, an indication of a substantial exploration program for this coming winter. That exploration program will be carrying forward the relatively successful results that have been realized heretofore toward better defining that resource.

We should really be talking about this bill and how oil should be priced in Canada. In terms of pricing, this bill is just as important and, indeed, even more important now, not just for the producing companies but for all Canadians, in terms of making certain that while the producers can over a period of time get a fair and adequate return on their resource, consumers should be entitled, not as the Alberta minister of federal and intergovernmental affairs said, that world prices should be shoved to the Canadian consumers right now but to adjust to them.

At this point we do not know the position of the government of Alberta but we can again make clear the position of this government. We do not think we should go into world prices right away. Canadians should be cushioned against this kind of increase. This legislative measure we have put forward is just as relevant now as it was last May, and just as relevant as it was before the budget. It is important and relevant now to provide a balanced regime in Canada to make certain that the supreme reality of the change in international oil prices is cushioned for Canadians to the best extent we can.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, may I just say to the minister I am glad to hear him say that the federal government is not ruling out the possibility of any involvement either with the partners in the various Athabasca oil sands projects or with the governments of the producing provinces. When the legislation to set up a national petroleum corporation is before the House we will have an opportunity to get more information from the minister and some statement of policy.

The minister talked about my remarks indicating that I am probably on both sides of the question. I want to make it perfectly clear that as far as the budget is concerned, I am not on both sides. I am prepared to support the government having the right to set the price of oil and gas and to collect the export tax which gives them the larger share of revenue from a barrel of oil. They receive about 54 per cent of the revenue. At the same time, I say they have no right, in an underhand and round about way, to turn around and take the unprecedented action of saying to the provinces, "Whatever you are getting out of your oil, whatever you collect by way of royalties, will not be deductible for income tax purposes."

We are not only doing this with oil. We are doing it with reference to gas and minerals. It is only a next step to do it with reference to renewable resources, lumber, stumpage dues and other royalties. In my opinion, this will reduce the provincial governments of this country to little better than glorified municipalities. That is why I object, not to the government having the power to collect an export tax but to the federal government, in an under-handed way, destroying the fiscal capacity of the provinces to run their own affairs and manage their own resources.

May I say one other thing to the minister. He believes the Canadian people should be cushioned against the world price. I certainly agree. If one goes back to the record, I introduced a motion as far back as January 25, 1973, arguing for exactly the same thing. I am not convinced at this moment that we ought to set, as a goal, ultimately raising the price to the international price. We can produce enough energy in this country so that Canadians can get it at a price that gives to those who produce it a fair return on their investment and pays the province a reasonable royalty and still keeps the price below the world price.

We give to our industry a very advantageous competitive position. My hon. friend who spoke before I did was interested in the industries of Ontario. He ought to be interested in keeping the price of energy at the lowest possible level.

I see no reason at the moment, and I do not know whether the minister is talking about 18 months or three years, why we should be planning ultimately to move toward a world price which in the main would take money out of the pockets of the consumers to either pay larger

profits to the oil industry or larger taxes to the provincial and federal governments. We would be better to have cheaper fuel as long as we can, while at the same time paying to those who produce the commodities a reasonable return on their investment, and making adequate compensation to the provincial governments for the part of their public domain which is being diminished, in the hope that they will use all or most of the revenue to search for further supplies of energy materials.

Mr. Macdonald (Rosedale): Mr. Chairman, I might just indicate to the hon. member that the touchstone which the government uses in terms of long-range pricing of oil has been the ultimate cost necessary to bring on additional supplies for Canadians. However, it might be formulated, there is not very much difference of opinion between the hon. member and myself. The critical question will be, at the insistence of some of the producing provinces, how quickly we move to the higher price. The fundamental question, and it may be difficult, is what is the appropriate price for oil sands or frontier oil to bring on these additional levels of exploration and development? Of course, there will be attempts—this is the way of the world in some sections of the petroleum industry and I think it is the position of Imperial Oil—to say you have to go to world prices as quickly as possible. That seems to be the position of the Alberta government.

It is said we are engaged in confrontation. Because we do not happen to accept that particular opinion, we are told we are tearing confederation apart. As I said in the throne speech debate and again in introducing this bill, the formulation for pricing in Canada is to have a price level high enough to bring in incremental supplies for Canadians without abandoning our prices, as going to world prices would involve prices that might be set from time to time by OPEC.

There are those who ask, why shouldn't we be at world prices, when we have been before? May I remind the House that we were not on world prices before. For a period of ten to fifteen years the price paid by Canadian consumers was $1, $1.50 or $1.70 above the world price. We have not been on world prices before. If it was appropriate at that time, as it was as a national policy, to ensure a higher return for those producers, it seems equally in the national interest that we should have the same balance in the other direction now that the circumstances have changed.

● (1620)

Mr. Stevens: Mr. Chairman, I am glad of this opportunity to take part in the debate at this stage of our proceedings. I believe no prophets and no members of the House should be more concerned about the passage of the bill before us than those from Ontario. I say this because we have a government which, through its incompetence and lack of understanding of the energy situation, is placing our fine province in the position of being literally dependent on supplies of foreign fuel in future years. This is a matter about which the 55 Ontario members of the Liberal caucus should be reminding themselves. How will they explain to their constituents the incapacity of their government in this field, a failure which according to the Minister of Energy, Mines and Resources will possibly result in Canada being a net importer of crude in the early eighties? How will they go back to the electors who placed confidence in them and tell them that a country which has been self-sufficient in oil, and which could continue to be self-sufficient if the reserves under federal jurisdiction were properly developed, is now likely to be without ready access to crude oil supplies? I would point out that for Ontario, especially—a land-locked province—this is an intolerable position.

I suggest there are three important questions which member for Ontario should be asking themselves. The first concerns security of supply. The price of oil is one thing, but surely the paramount question is security of supply to Ontario, bearing in mind that of all current domestic production used in Canada approximately one-half is used in Ontario. We should never lose sight of this fact when considering a bill such as the one before us, which presumably reflects the over-all approach of the government to energy policy. We are the most vulnerable province in the nation, and the government is taking steps which will make sure that energy will not be available in a few years.

Mr. Macdonald (Rosedale): Do you want one price?

Mr. Stevens: The second question is, why is the construction of a pipeline still under consideration? Why are we not told the date by which it will become operational? So far, the pipeline has been discussed in terms of its going from Toronto to Montreal. I say it is more important, if hon. members opposite continue to support the incompetent Minister of Energy, Mines and Resources, that they should be asking the minister when he intends to build a pipeline from Montreal to Toronto to ensure that if we are to be dependent on foreign countries, at least we should have the advantage of a transportation system sufficient to get imports into Toronto.

The third question concerns conservation of supplies. There is probably no federal government which has done less, in practical terms, to conserve energy than the present government. In this connection I would mention that while Americans are striving to lessen their dependence on foreign oil and to work toward self-sufficiency, Canada is in the unbelievable position of drifting from self-sufficiency to dependency on foreign oil. In the United States, President Ford plans to lead his nation to self-sufficiency in oil production by 1980. Here in Canada, the Prime Minister appears to be willing to allow the nation to become dependent on foreign oil by 1982.

The United States is aiming at independence by way of better conservation measures and the development of yet untapped reserves. From being a net importer of oil, they plan to become a net exporter of oil. A few days ago, the Minister of Energy, Mines and Resources outlined a very different picture so far as Canada is concerned. He released the report of the National Energy Board which showed, in dismal terms, that Canada has only enough oil for perhaps 7.3 years, after which we would be dependent upon imports from foreign countries. Within eight months, Ottawa has changed its position very dramatically. Members who sat on the Standing Committee on Natural Resources and Public Works will recall that when he appeared before the committee, the minister stated, "We

can see a ten-year supply, a ten-year period during which supply will be adequate to meet Canadian demands."

A year earlier the minister said, "For another decade or longer we could continue to meet export commitments and to meet the growth of the Canadian market." In the energy department's policy for Canada, published in 1973, a 15-year reserve of oil was referred to constantly. These figures did not include the oil sands reserves or northern reserves. In the space of less than a year, what has happened to Canada's oil reserves? I suggest the reason the government has shifted to painting a relatively pessimistic picture—and if it is pessimistic for the nation as a whole, it is particularly pessimistic for Ontario—is that previous estimates of reserves of oil took it for granted that exploration would continue to produce new oil finds roughly equal to our annual consumption. In the past year, however, as a result of government indecision and its quarrels both with the industry and producer provinces, the drilling rigs have pulled out. Little new oil has been found, and the authorities are becoming alarmed. Hence the gloomier picture.

As we consider Bill C-32, let us not attempt to shift the responsibility. This responsibility lies with the government whose failures and lack of foresight have placed us in the position of possible dependency upon foreign oil. Dealing specifically with the bill, I note that in clause 36 the government seeks to infringe further upon the control exercised by the provinces. We are being asked to endorse a price-fixing mechanism which is designed to function with or without provincial agreement. Even though the oil producing provinces withdraw from any pricing agreement they may make with the federal government, the federal government is empowered, under clause 36, to establish the price of oil unilaterally. This is a direct encroachment on provincial rights. Similarly, part III of the bill would allow the federal government to regulate the price of natural gas in a producing province and for export, with or without the agreement of that province—another infringement of the right of a province to control its natural resources.

It is very easy for a member from Ontario, particularly if he is a supporter of the government, to be shortsighted. I understand previous speakers have even referred to this bill as some type of consumer bill. What utter balderdash! If you like, Mr. Chairman, it is a consumer bill in the sense that consumers are going to be cut off from their rightful resources in this country due to bungling and lack of co-operation by this government in its relationship with the provinces.

● (1630)

Mr. Foster: One of the Bay Street boys.

Mr. Stevens: The establishment of price controls must be taken in a spirit of co-operation. Such a move requires broad provincial and federal government consultation. The input of industry in this country and consumer-producer participation should also be an integral part of the formation of such policy. Sole federal control is not the answer, though it is clear evidence of the status quo approach of the federal government. I suggest that the oil and energy resources of this country should not be used by the federal government as a battleground to wrest further control or power from the provincial governments. It knows the proper mechanism to use. If the government feels there is some imbalance between federal and provincial authorities, then let it consult the provinces and work out an agreement with them and, if necessary, amend the British North America Act. But let not the consumers of this country, particularly those in Ontario, be victimized by the inept policies of the government.

I say this because without provincial control over price-fixing mechanisms, the producing provinces will be unable adequately to ensure a fair return to the provinces and oil companies which are developing petroleum resources. Without adequate return there will be a marked decrease in exploration activities and a consequent decrease in supply to the consuming provinces. Our main concern is adequate supply for the consumer in Ontario and in the other consuming provinces. The federal government, in its attempts to establish a federal price-fixing mechanism, has created an unhealthy political atmosphere in which the consumer is the ultimate loser. The situation now is that we will be forced to rely increasingly on petroleum imports which, in the proven unstable international political atmosphere of today, can fluctuate and in the end leave the consumer with a shortage of fuel for the winter.

As I have said, Ontario is a land-locked province that is forced to rely on the transportation of petroleum products via pipeline. By failing to ensure construction of the Sarnia-Montreal pipeline through the constantly changing attitude of the Minister of Energy, Mines and Resources and the Prime Minister, the government has failed to ensure security of supply to the Ontario consumer. This pipeline should be built and it should be a reversible pipeline.

I suggest that rather than engage in a dispute with the provinces over the establishment of a price-fixing mechanism, the federal government should be trying to work with the producing provinces to develop policies to conserve petroleum resources through discouraging needless waste, providing incentives for continued exploration, and researching and developing alternate and renewable energy sources. In this connection, the Ontario background papers to the federal-provincial conference of first ministers on energy, held in Ottawa on January 22 and 23 last, made the following statement in relation to the supply problem the province faces this year:

> In Ontario, the supply question is dominated by the province's reliance on eastern refineries. While Ontario received all of its crude oil from western Canada, refinery capacity has not been expanded in about four years.
>
> Thus, eastern . . .

That is, mainly Montreal—

> . . . refineries provide Ontario with 14 per cent of its motor gasoline, 25 per cent of its light fuel oil and 38 per cent of its heavy fuel oil. The basic supply outlook for Ontario is not known with any degree of certainty. The technical advisory committee of the National Energy Board states that the over-all supply and demand situation for oil products in Ontario this winter will be "in precarious balance".

"This winter" is last winter. The papers go on to say that the price of petroleum products in Ontario will depend on

the price of western oil, presumably to be determined by federal-provincial negotiation. Surely the government should be telling this committee why those negotiations have so broken down that we are now confronted with Bill C-32, which in its present form is obviously completely unacceptable to the producing provinces and, I suggest, to the consuming provinces, certainly to the province of Ontario.

Speaking of the province of Ontario, I presume that the 55 Liberal members in the government caucus who come from that province must be asking themselves why it is that, despite the fact that their membership in the caucus has risen from 36 in the last parliament to 55 in this parliament, their representation in the cabinet has gone down. Surely those Ontario members must go home at night scratching their heads and wondering why in the twenty-ninth parliament there were 11 cabinet ministers from Ontario, the next highest province being Quebec with nine, whereas in the thirtieth parliament the same Prime Minister has chosen only ten cabinet ministers from Ontario and 11 from Quebec.

Mr. Turner (London East): You would never make it anyway.

Mr. Stevens: Well, it is your caucus. I have touched briefly on the allied question of conversation. I hope Ontario members of the government caucus are asking themselves why the government has not worked out more effective measures to help conserve energy in this country. In the United States, for example, speed limits have been reduced. Not only has this reduction in the speed limit saved a considerable amount of energy, but it has had the collateral advantage of saving many human lives through fewer fatalities on the roads. I checked the situation today and found that, based on 100 million vehicle miles, the number of fatalities in the United States has dropped 20 per cent to 25 per cent since speed reductions were made mandatory in that union. Yet this government has repeatedly stated that it does not intend to take any such measures but hopes, through a $1 million advertising budget, that it can talk people into doing something about conservation.

Conservation is conservatism. We believe in conservation, and we certainly believe that if there is any serious energy shortage we should not only be looking for new reserves in this country but conserving the energy that is available to us. It is only recently that Canada has developed a national set of statistics which relate to our inventory of energy supplies. Until very recently the Canadian government had to depend upon statistics provided for it by the oil companies, statistics which hardly provided a basis for a sound national policy but only benefited individual firms or industries.

We still find it difficult to discover the facts about our inventory of energy resources. Planners both in corporations and in government have had extreme difficulty in producing valid projections. In spite of our lack of knowledge about our inventory of energy resources, there is no doubt that long before the so-called energy crisis in 1973 experts in the oil industry, government and universities were telling us that our energy resources were being depleted at perhaps too fast a rate. They told us we should seek alternative sources of energy and in some way end our extravagant use of depleting resources; yet this government has chosen to do virtually nothing.

● (1640)

Even today, when the world's economic system may collapse because of the tremendous balance of payments problems caused by the western world's inability to pay for high-cost energy, at a time when the poor nations of the world are starving and have little prospect of being able to improve their position because of the high cost of energy, and in spite of the example set by our neighbours to the south—which I have touched upon—we in Canada are doing nothing to conserve our essential reserves and we are doing very little to develop new sources of power and find other ways to provide energy for our industrial and social life.

At a time when all the developed nations of the world are placing increased importance on the over-all concept of rail transportation and the development of new forms of technology in urban and intercity transportation, we in Canada are still back in the 1950s. We have virtually no research taking place on problems connected with urban transportation systems. We have no leadership from this government to help provincial governments set up urban transportation programs which would end our dependence on the automobile, that extravagant user of gasoline, and get our citizens in the large cities to their places of work efficiently. At a time when most other countries are expanding and improving their railways, we are ripping up our tracks and cutting down the number of rail services, forcing Canadians to use automobiles and buses.

Perhaps it is unfair to blame the situation solely on the Minister of Energy, Mines and Resources. Certainly his colleague, the Minister of Transport, has to take some credit: he has set a new record, perhaps, in incompetence and inability to master that portfolio. One hears that a new cabinet shuffle is coming up.

The Deputy Chairman: Order, please. I regret to interrupt the hon. member, but his allotted time has expired.

Some hon. Members: Carry on.

The Deputy Chairman: Is it the wish of the Committee that the hon. member be allowed to continue?

An hon. Member: He is not saying anything, so let him go ahead.

Some hon. Members: Agreed.

Mr. Stevens: Thank you very much, Mr. Chairman. I will not go beyond my time except to say I should like an opportunity to speak again on this important bill. Many of my colleagues intend to speak on the bill, and we believe that many members from Ontario sitting on the government side should also get to their feet and speak on behalf of the consumers of Ontario, informing them that our energy problems are due substantially to the incompetence of the present government.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Mr. Chairman, I must say that not the least useful aspect of the speech of the hon. member for Peel-Dufferin-Simcoe was getting something

out of the hon. member for York-Simcoe who just came out with a ringing appeal for higher prices for the consumers of Ontario. We will make certain that his view, that Ontario people should pay higher prices for gas and oil, is well known to his constituents and to other citizens of the province. This is a critical question and it is one on which the hon. member has just hooked himself. As I said to the hon. member for Nanaimo-Cowichan-The Islands, the question is whether Canadians should be paying adequate prices to bring about additional resources in Canada, but not world prices, or whether we should go to world prices. The hon. member for York-Simcoe has just hooked himself with the highest price and "sock it to the consumer."

Mr. Stevens: Mr. Chairman, I rise on a point of order. It is obvious to those in the chamber that the minister has absolutely no justification for making a statement like that. The record will show that at no time did I suggest higher oil prices. The minister did not deal with the important point, that is, why we are experiencing a shortfall in Ontario if there is a shortfall.

Mr. Macdonald (Rosedale): The hon. member specifically adopted the United States program of higher oil prices for Americans.

Mr. Stanfield: So have you.

Mr. Macdonald (Rosedale): No, I have not.

Mr. Stanfield: You are a demagogue.

Mr. Roche: Mr. Chairman, whenever a member from Alberta stands in this chamber to speak on energy, there seems to be the automatic assumption on the other side that he is going to present a narrow focus. I hope the minister will listen for the next few minutes as I attempt to put the bill before us in the wider context which it deserves. I declare with pride, as I stand here as an Albertan, that I am a Canadian first. In presenting an argument in respect of provincial rights to the minister, I think I do more to contribute to national unity than does this type of bill which steamrollers over legitimate provincial interests.

By way of introduction to my remarks, let me say that last Saturday a number of Liberal cabinet ministers went to Edmonton to attend a fund-raising dinner. That was their right. But I think it was not their right to make statements such as the one made by the Minister of National Health and Welfare, that Alberta members of parliament come down here as demagogues. I reject that statement. What a suggestion, that we cannot stand here as Alberta members of parliament presenting arguments in the best interest of our country! I would ask the minister to give us his view, at the conclusion of my remarks, on whether my remarks about this bill can be taken as demonstrating a demagogic position.

If we do not lie down and allow this Liberal government to steamroller over us, and if we resist with some strength a bill which we believe will do irreparable harm to our country, we are accused of filibustering. It is not my belief that the people of Canada represented here by members of this party, people who have asked us to speak for them here, expect us to lie down. That is why you will hear during this debate not only from members from Alberta but members from Quebec, Nova Scotia and the other provinces. What is at stake here is the legitimate regional and provincial development of our country. I laugh when I hear speeches about Alberta and its strong energy position and the suggestion that it is adopting a separatism position, going its own way. Nothing could be further from the truth. Far from trying to get out of Canada, members from Alberta for years have spent their time here fighting to get into Canada. We have been trying to assert ourselves as real partners. This is what the Western Economic Opportunities Conference was all about. That was the conference which promised us our so-called place in the sun, in legitimate recognition of the fact that we have been victimized by central Canada. That is the conference which is long overdue in accomplishing what it set out to do.

Since this is the first time I have spoken on this bill, I intend to address some questions to the minister. Before doing so, however, I should like to deal with what this bill will accomplish in general, in an effort to show that as an Albertan I am concerned about the total effect of the bill from the constitutional and energy supply aspects. Why is the total issue involving the constitution and supply important to all Canadians and not just to Albertans or westerners? This debate clearly centres on issues of broad national significance. We are discussing whether or not the federal government is constitutionally intruding into an area of provincial jurisdiction. We are discussing the extent to which a province has the right to manage its resources as it sees fit. That is the basic issue.

● (1650)

In this analysis, the vehicles for discussion are crude oil and natural gas, but the issue clearly extends throughout the entire spectrum of non-renewable resources. We are discussing a provincial revenue which may, to a greater or lesser extent, be subject to equalization, which is certainly an issue of more than passing interest to the other provinces of this country. And we are concerned about the condition of an industry whose future success bears directly on the future economic well-being of this nation. Certainly this is not an unimpressive list of national concerns. But even more fundamental is the fact that in this debate we should be concerned about the extent to which the Government of Canada is inclined to penetrate the domain of private and public interests in its effort to achieve what it perceives as social justice. I believe it is fair to say that the traditional purpose of the law has been to assure the legitimate expectations of individuals living in a free yet ordered society. Only if organizations and individuals are free to order their lives and their affairs with reasonable expectations that today's rules will apply in the future, when their present actions may be judged, can there exist tranquility in the person and peace in his society.

When normal expectations are frustrated, society grows fearful and distrustful and is more prone to lapse into disorder. To what extent can what we might term the natural laws of economics and of human conduct be controlled and even repealed by parliament? To what extent can we comprehensively and logically prepare for tomorrow's oil supply difficulties, in light of today's frenetic political climate? It is difficult to perceive how we will

control our destiny if we cannot even discipline ourselves to control today's domestic developments. Is it not reasonable to expect the same standards of conduct in legislatures that citizens expect of one another?

I come now to another question in respect of which I will insert some general comments later on. I ask myself: how is this total issue related to changing world conditions with regard to energy and to the squeeze that developing nations are feeling today with regard to their inability to pay high prices for commodities they need in order to grow food? Well, as commodity prices have escalated and as inflationary trends have worsened in general, we have witnessed a growing tendency on the part of many nations, both developed and developing, to take whatever they can get—a spirit of protecting one's own position whatever the cost to others. There is certainly not much evidence of a philanthropic feeling abroad in the world today. It would appear to me that much of our current debate in regard to non-renewable resources in Canada reflects this politically hostile environment on the international scene.

There is a reluctance on the part of the industrialized nations to provide assistance on a scale commensurate with the needs of the third world; there is a reluctance on the part of the OPEC nations to share their newly-found largesse with less fortunate members of our global society; and there is a reluctance on the part of many developing nations to undertake those social reforms which would be beneficial to improving their own lot. In a time when the need for international co-operation has never been as great, and in a time when the problems of population growth, of food supply, of poverty and of resource development have never been so paramount, there is a conspicuous lack of concern, a lack of willingness to assist.

On the other hand, it is also fair to say that any nation undergoing considerable economic and other problems will be hard pressed to help others. The United States, for example, which will have paid out approximately $25 billion during the course of 1974 to import oil, obviously will be less psychologically disposed toward assisting less fortunate countries. In Canada, to the extent that we can avoid or at least ameliorate our coming problems, whether in the field of oil and gas supply or elsewhere, by means of intelligent, comprehensive and long-term planning, to that extent will we be better placed to extend assistance to the developing countries.

In other words, what I am saying is that our own house must be in order if we are effectively to work beyond our own national sphere and assume our international responsibilities. It is difficult to move promised grain supplies to lands with starving peoples if that grain cannot move across the country or cannot move through the St. Lawrence Seaway because of strikes. It is difficult to talk about entering an international energy agreement when we cannot settle an energy dispute internally. In short, until such time as we repair some of the damage that has been done in this country to the faith of the individual and of private enterprise in the astuteness and leadership of our legislative bodies, it will be most difficult to put together the wherewithal to help those members of our global society who are in mounting need of such assistance and who are progressively less well disposed to wait for that assistance.

[Mr. Roche.]

I come now to another question: how can these responsibilities at the federal and provincial levels be reconciled, and how can we bring these governments together? At least in the case of oil, this debate will in some ways become academic within ten years. At that time oil exports will presumably have been phased out and the domestic price of oil in Canada will be nearer, or at, the world price. We may not like that prognosis, but it seems to represent what our current appreciation of the supply situation is telling us. At the moment, and assuming that the federal and provincial governments could amicably come together, there is considerable flexibility in the manner in which this issue could be handled. If, on the other hand, this issue should proceed to the courts, one side will to all intents and purposes win and the other side will lose. There would certainly be less flexibility in dealing with such problems if that were to occur, and whatever flexibility there might be would largely depend upon whether or not the winning side chose to be magnanimous in its victory.

This current flexibility of negotiation I regard as an asset. I do not believe that a court decision in favour of one side or the other would result in light and understanding; rather, it might institutionalize a bitterness which we at least at the moment have the opportunity of overcoming. In view of reconciling federal and provincial interests and responsibilities, I suggest that both levels of government have fair claim to some of these formerly completely unanticipated revenues. They have the responsibility of not making excessive claims in the process; they have the responsibility of ensuring that private enterprise is not emasculated in the process; and they have the responsibility of avoiding the temptation to legislate everything that they can lay their hands on. I would reiterate my earlier point, that citizens in a democratic society should be allowed to function with the minimum of laws necessary for good governance.

I see it is five o'clock, and I would be willing, Mr. Chairman, to suspend my remaining comments until after supper. I would ask the minister to return following the supper hour because the questions which I shall put in detail will require answers by him.

Mr. Macdonald (Rosedale): Mr. Chairman, I am sorry, but I did not hear the hon. gentleman. Will he repeat what he said?

Mr. Baldwin: He was saying he hoped you would have a good supper and come back and reply nicely to him.

● (1700)

Mr. Macdonald (Rosedale): I have a meeting with the provincial ministers this evening, but I will put it off in order to be present and hear the hon. gentleman.

The Chairman: It being five o'clock, it is my duty to leave the chair in order that the House may proceed to the consideration of private members' business. Is that agreed?

Some hon. Members: Agreed.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Veterans Affairs—Proposed increase in pensions of Hong Kong Veterans—government position; the hon. member for Athabasca (Mr. Yewchuk—Multiculturalism—Alleged Change in government policy—Request for assurance to minority groups; the hon. member for Central Nova (Mr. MacKay)—Immigration—Possibility of obtaining counsel for persons facing summary deportation—Review of cases by minister.

It being five o'clock, the House will now proceed to consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions (papers) and public bills. There being no item on the order paper under the heading of private bills and notices of motions, the House will proceed to public bills.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CENTRAL MORTGAGE AND HOUSING CORPORATION ACT

PROVISION TO CHANGE NAME OF CORPORATION TO HABITAT CANADA

Mr. Jim Fleming (York West) moved that Bill C-215, respecting the Central Mortgage and Housing Corporation Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Madam Speaker, it is my pleasure to again speak in this House on my bill proposing that the name "Central Mortgage and Housing Corporation" be changed to "Habitat Canada". I introduced this bill in the twenty-ninth parliament but, unfortunately, because of the length of that parliament and the many bills put forward by private members, I was not able to bring it forward for debate.

In presenting this motion to change the name of Central Mortgage and Housing Corporation, my intention is to give this institution a designation which will more accurately reflect what it is, what it is doing and what it is becoming. If I am successful, I hope that this bill will effectively focus this institution in the minds of Canadians. Indeed, I believe this is happening now. The present name in almost every respect is inappropriate. It is called Central Mortgage and Housing Corporation at a time when it is making a vigorous effort to decentralize, to distribute authority, initiative and decision-making across the country to ensure that this important national institution will respond in a more sensitive way to unique local needs and objectives.

The present title emphasizes the word "mortgage". While the granting and insuring of mortgages is an important aspect of CMHC's daily business, mortgages are just an instrument which the corporation uses in fulfilling its broad social responsibility to improve the living conditions of Canadians. This part of its title, perhaps more than anything else, helps to preserve the notion of a purely financial institution whose main function is to make prudent and profitable investments of public capital. In the minds of most Canadians it is a sort of government bank for mortgages.

The next significant word in its present title is "housing", and certainly the creation of reasonable housing that is accessible to all Canadians continues to be a prime function of this agency, by whatever name it is called. But housing alone and housing in its narrow context does not begin to define the role and objectives of the Central Mortgage and Housing Corporation. As the Minister of State for Urban Affairs (Mr. Danson) has often said in this House, it is not enough to be concerned simply with housing without regard to the whole environment in which houses are built. That is a view I have heard from all sides of the House. People live not just in houses but in communities. Houses are just one element in the fabric of community which depends for its life on a whole range of physical and social amenities which must be knitted together in a planned and coherent way if we are to serve the human needs of this country.

The growing concern of the government and the corporation for these aspects of community life is reflected in the latest amendments to the National Housing Act, particularly the neighbourhood improvement program, the new communities program, the increased commitments for the public assembly of land—we heard a great deal about that in the last parliament—and in the legislation which we will be asked to consider later this session with regard to sewage treatment assistance. So CMHC is a housing corporation but not just a housing corporation, not always central and not only dealing in mortgages. It is for these reasons, to rid the corporation of a designation that is restrictive and misleading and to give it a new title that dramatizes its broader, more ambitious goals, that my bill proposes that it be known henceforth as Habitat Canada.

This title, it seems to me, connotes, in both the official languages without translation the real work of the corporation which is concerned not just with mortgages and houses but with the places where people live—roads, sewers, parks, schools, churches and shops, as well as houses, and the way all of these elements relate to each other. I am not suggesting, Madam Speaker, that by changing its name we will change the character of the institution. The fact is that the institution has changed and is changing as the needs of Canadians have changed. I think it is only fair that the people who staff and run this institution should no longer be burdened with a cumbersome name that has outlived its relevance. Habitat Canada has a meaning that suggests the breadth of its duties and obligations to the people of Canada. I believe it will become even more meaningful day by day as the activities

of Habitat Canada continue to change and improve the cities, towns and villages where Canadians live.

In preparation for making this address today I looked up the history of the word "habitat". In the English language it is as old as the language itself. It comes from the Greek word "habère", meaning to hold; to occupy or possess; to have. Even a small child, when developing and learning, has the word "habitat" in his vocabulary—"That is my habitat, the place where I live". That is common to our language. In the same way, its roots are equally deep in the other official language, the French language.

One of the most serious difficulties in our society today as a government and as members of parliament is to make people understand what is available to help them. I suggest that this is a phrase that says, in both official languages without need for translation and in words long based in both languages, Habitat Canada; just what it means. There is some precedent for simplifying the names of federal institutions. TCA was changed to Air Canada, and the Canadian Broadcasting Corporation to Radio Canada. That has surely been helpful to Canadians to know and to identify these institutions of the federal government. I will not continue, Madam Speaker, because I hope for sympathetic support for this bill. There is some indication from the government to that effect. I hope my friends on the other side of the House will agree that this is a simple move to help Canadians understand better what is being done for them in the field of housing.

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, I was interested to hear the fatherly presentation of my hon. friend opposite where he stressed the role he sees for yet another government organization. By now we should be used to such time-fillers as the bill of the hon. member for York West (Mr. Fleming). After all, he is a member of the government which in the last session had us debating a bill about what kind of football Canadians should be allowed to watch, at a time when Canadians were so frightened by the effect of inflation on their savings that they were going on a huge spending spree, fueling the fires of inflation even more. In that same week, the government-owned CBC was broadcasting American football games in Toronto. This government again illustrates that it is insensitive to the wants of Canadians. If Canadians did not want to watch World Football League football it would fade away without any help from the government and Canadians would have had one more element of their freedom left intact.

The changing of this corporation's name to Habitat Canada will cost the Canadian taxpayer a great deal of money but will not make it one bit easier to obtain a mortgage. But then the government, after interfering in the bargaining process, held off recalling parliament to stop the grain handlers' strike in Vancouver for six weeks, completely ignoring the cost entailed in keeping ships in port. It also ignored Canada's failure to meet overseas grain commitments and the wishes of producers and consumers who are now dangerously short of grain.

● (1710)

But let us look at this bill. The hon. member for York West says that it will provide a shorter name and one that is the same in both official languages. The corporation has been known as CMHC—you will notice that there are just four letters—for decades. It will take another decade for people to learn that good old Central Mortgage and Housing Corporation is the same as Habitat Canada. And for many Canadians the word "habitat" will recall mixed feelings and memories of the housing white elephant built for Expo 67 in Montreal. The hon. member says that it would be the same in both official languages. That may be true, but it would not mean the same thing in both languages. Or would it?

Harrap's French and English dictionary is supplied to members of this House. If we look at the French word "abita" we find that it means "habitat" in English. The Concise Oxford Dictionary, which is also supplied to members, defines "habitat" as the natural home of plants or animals, or as a habitation. It goes on to say that habitation means a place of abode or branch of the Primrose League. The same book says that the Primrose League is a Conservative association formed in memory of Benjamin Disraeli, the Earl of Beaconsfield. Perhaps "Habitat Canada" would be interpreted as the Canadian old Conservatives, a sort of Conservative Senate. Who knows what it would mean!

We have seen much evidence of this government's gimmickry in changing names. For instance, to name a few, we have Sports Canada, Recreation Canada, Taxation Canada, Agriculture Canada and Information Canada, affectionately known as InfoCan. None of these agencies works any better under its new name. In fact, some do not work as well. The Post Office, for example, is known as Postes Canada, but that is backwards for Canada Post, which used to be known as Royal Mail.

These problems, of course, are not related to the two languages. For instance, in the English language version there is a program known as PEP, the Program to Enhance Productivity. That does not apply to the people in the House or to agriculturalists; that is an industrial program. The aims of the program are: to encourage industrial growth and production by supporting studies to determine the feasibility of projects designed to enhance substantially the productivity or efficiency of companies. Well, so much for PEP! And if that description does not boggle the mind, let me refer you to GOMI, which is short for the Grains and Oil Seeds Marketing Incentives Program. And the list seems endless.

Some huge group evidently sits around all day dreaming up these names. I am sure we can all feel sorry for the fellow who dreamed up the slogan Air Canada. Sorry? Yes, because the name was grabbed up by the airline when he had intended it for the CBC. The poor old CBC had to settle for Radio Canada, which is not too bad except when the announcer says, "This is Radio Canada," you can see him on television and the television network uses the same name. One name which did not cost millions to change over was COJO. The only problem is that it only translates into the French words "Le comité d'organisation des jeux olympiques." In English that would be the Organizing Committee of the Olympic Games, or OCOG. But I suppose that's no worse than PEP or GOMI.

Maybe we should look more deeply into the reasons for this proposed, costly changeover. Maybe it is a plot to expand operations and for the government to get meaning-

fully involved in housing. The Liberal-Socialists on my left would certainly agree with that. To date, certainly, we have all known of this corporation's mortgage business. Many thousands of Canadians have been able to take advantage of the government's mortgage scheme, although many more thousands could not afford to do so. But I am not sure that many Canadians are aware of Central Mortgage and Housing Corporation's housing operations which, like many other government enterprises, are not models of operating efficiency. Those who really need the government's help find that government housing is unacceptable or unavailable because they cannot afford to take advantage of the government's offers.

Perhaps Central Mortgage and Housing Corporation is planning to branch out. Vote 10 of the main estimates relating to Central Mortgage and Housing Corporation, for the calendar year 1974, provides for expenditures on housing research; for the amounts of loans forgiven; for contributions made in respect of loans to facilitate home ownership; for losses resulting from the operation of public housing projects; for losses resulting from the sale of mortgages, and so on. The last item of the vote reads "for the cost of acquiring Granville Island and for the loss incurred in the redevelopment, administration and operation of the island." There is no breakdown of the total of $143.2 million listed under Vote 10. Granville Island, as I say, is mentioned in the last item in the vote.

Granville Island is in Vancouver; thus, CMHC has acquired the 42-acre Granville Island, which has nothing whatever to do with mortgages or housing. This man-made island in the city's False Creek was turned over to CMHC by the Department of Transport's National Harbours Board, which had been leasing it out as an industrial estate for years. It seems that the land, where the leases have expired, has been converted to parks and some $20,000 worth of trees have been planted on it. Most other leases run to 1983, but several have 20 years or more to run; so CMHC will have a lame duck industrial estate on its hands until nearly the end of the century. The government's mortgage and housing corporation had to manage its industrial estate and care for its expensive parks, so it hired a project manager at a salary of $25,000 plus support staff.

It will not surprise members of this House to know that the project manager happens to be the former president of the British Columbia Liberal Association. He was selected, said the former minister of state for urban affairs, because of his business qualifications. Nothing was said of the failure of two private companies with which this man was closely associated, I believe as president. Both of them suffered from fatal financial problems when this man was running the Liberal campaign in the 1972 federal election. Most governments, by interfering in the free market, create problems. The report by the National Council of Welfare on the low-income consumer in the Canadian marketplace, called "Prices and the Poor" has this to say about housing and food. May I begin quoting from page 17:

> What are the poor getting in return for this large outlay of money? The answer is all too apparent: They are getting the worst housing in Canada.

The report goes on to say:

> ... it should be noted that the possibility of a low-income family buying a home has become practically nil in the major urban centres of Canada.

According to the report, the poor are excluded from housing. I continue quoting:

> ... the supply of low-cost housing is grossly insufficient to meet demand. And the root of the supply problem is the extremely high cost of land in virtually every Canadian city ...
>
> One traditional response to the low-cost housing problem has been public housing. Public housing has usually taken the form of large complexes set either in the most undesirable urban locations or in the most inaccessible outlying locations. Many low-income families forced out of inner-city accommodation enter public housing. But a great many more are unable to enter public housing because the supply falls so far short of demand ...
>
> The great public housing complexes which only a few years ago seemed to be the solution to the low-cost housing problem are now recognized to be a thoroughly inadequate response.

The report continues:

> Unless it is applied only in the short term and tied to a program for generating a major expansion in the supply of low-income housing, rent control in Canada would ultimately result in an even more reduced supply of low-cost housing... If the housing problem in Canada is to be solved, the solution can only come through the development of a comprehensive national housing policy. At present there is no such comprehensive policy, only a collection of ad hoc, often unrelated or even contradictory, specific programs that have been developed over the years.

● (1720)

I think that is sufficient criticism of the past operations of CMHC. I do not think the members of this House should believe that a new name is going to change the operations.

Mr. Woolliams: Not until we get a new government.

Mr. Clarke (Vancouver Quadra): CMHC has done its share for higher housing costs through some of these actions. It has had extremely stringent requirements on some of its mortgage loans, for example sewers instead of sceptic tanks on all houses which will qualify for loans. CMHC has been the victim of the present government's inflation policies. In the recent budget debate I pointed out the drastic effect of higher interest rates on housing costs. Of course, not even the government is willing to lend its money at a rate much lower than the rate of inflation plus a reasonable rate of return. Finally, I repeat to members opposite that their time, the time of this House and the taxpayers' money could be better directed than in dealing with a bill such as the one before us, and I call for its rejection by this House.

Mr. John Gilbert (Broadview): The explanatory note of Bill C-215 reads:

> The purpose of this Bill is to change the name of "Central Mortgage and Housing Corporation" (and in French the words "Société centrale d'hypothèques et de logement") to "Habitat Canada".
>
> This would have the advantage of providing a shorter name for the corporation and one that is the same in both official languages.

I have never, in my nine years here, experienced such a waste of debating time and money as set forth in this proposed bill. We have a serious inflation problem. We are discussing problems with regard to the high cost of living. We have a serious housing problem and a petroleum problem. Yet the hon. member for York West (Mr. Fleming) brings forth Bill C-215 to change "Central Housing and

Mortgage Corporation" to "Habitat Canada". I would ask the hon. member for York West, through you, Madam Speaker, how many constituents in his riding have asked that CMHC change its name to Habitat Canada. How many people have asked him about the serious housing crisis in his area? How many people have asked him about high interest rates, shortage of supply, high rents and the high cost of housing? I would venture to say that not five people in his constituency have asked the hon. member to change the name Central Mortgage and Housing Corporation to Habitat Canada. I would say that hundreds of people have asked him questions with regard to the serious shortage of housing, the high cost of housing and rents and high interest rates. They have asked him this time and again, and this is his answer with regard to Central Mortgage and Housing Corporation.

Mr. Fleming: Do you want an answer?

Mr. Gilbert: Yes.

Mr. Fleming: Madam Speaker, as both the previous speakers well know, although I am a government supporter I am not the government. In private members' hour I hardly have the ability to move a motion that is going to involve finance, affect inflation or anything else. Hon. members work through their caucus; I work through mine. In private members' hour we try to do something that is useful. That is why I suggested this. I was in communications for 12 years. I have a deep belief that if Canadians understand what they are dealing with, they are ready to approach government and receive the help of government.

Mr. Gilbert: Today we have the hon. member for York West speaking about a change in name. On December 3, two days ago, the Minister of State for Urban Affairs (Mr. Danson) spoke to the Toronto Home Builders' Association. He said:

> Almost 800,000 Canadian households spend more than 25 per cent of their gross income on shelter. Even more disturbing is the knowledge that 107,000 tenant families with incomes under $3,000 spend over 50 per cent of their incomes for shelter. These are hardly comforting statistics, nor is the fact that there are some 500,000 housing units in Canada requiring rehabilitation or replacement . . .
>
> The present shortage of suitable accommodation at affordable prices in Toronto and other cities across Canada is not acceptable. It is not acceptable to the people who need housing in communities where the shortages exist. It is not acceptable to the federal, provincial or municipal governments and surely it is not acceptable to builders either . . .
>
> I am particularly concerned about the shortage of apartments and other types of accommodation for rent. For this kind of housing, starts declined nearly 60 per cent in the first 10 months of the year. Rents, on the whole, have not increased at nearly the rate of other costs, but the continuing vacancy rates of less than two per cent in major centres could produce pressures on rents that are unacceptable.

Here we have a minister setting forth the housing crisis, and the hon. member for York West wanting to bring about a mere change in name which would have no effect on the housing crisis being experienced in Canada. The previous speaker set forth the definition of "habitat". I also looked up the definition. It is rather interesting. The Concise Oxford Dictionary states: "habitat; natural home of plant or animal." Are we going to change the name of CMHC to this?

Mr. Fleming: Read on.

[Mr. Gilbert.]

Mr. Gilbert: It says "habitation". Now if we look to the definition of housing, it reads: "house; building for human habitation." We now have Central Mortgage and Housing Corporation. I would prefer that we have Canadian Housing and Mortgage Corporation. That would set forth the number one item across Canada—housing. It would then set forth mortgages. We would then have Canadian, or Canada Housing and Mortgage Corporation. That would make sense. Central Mortgage and Housing Corporation commenced on January 1, 1945. It is companion to the National Housing Act. In a great many ways it administers the National Housing Act with regard to housing, mortgage loans, research and many other items.

CMHC has had its name for almost 30 years. In Ontario we have the Ontario Housing Corporation. more commonly called by ordinary folk, OHC. OHC blends in nicely with CMHC. Across the country there are many housing corporations and commissions which go by the short name. Habitat Canada would not fit in with the theme of housing across Canada. If it is the natural place for plants and animals; it has no place in housing. When we talk about housing, we talk about different types; for example, there is single-family housing, row type housing, condominium type housing, co-operative housing, senior citizens' housing and public housing. This is what CMHC is all about. Can you imagine calling it single-family habitat, row type habitat, condominium habitat, co-operative habitat, senior citizens' habitat, and public habitat?

Mr. Baker (Grenville-Carleton): "Cohabitat."

Mr. Gilbert: As the hon. member says, maybe we should call it "cohabitat", common law habitat. We associate Habitat with Expo 67. I thought that was an interesting design in housing. It acquired a name with regard to a special type of housing. But it did not catch on. That is the main thing.

● (1730)

Mr. Baker (Grenville-Carleton): A high rent district.

Mr. Gilbert: The hon. member has pointed out that, in Montreal, Habitat is associated with high rents. That is not a significant achievement. One should bear in mind the expense of changing the name CMHC to Habitat Canada, as well as the confusion it would create across the country. People have learned that the intials CMHC stand for Central Mortgage and Housing Corporation. Why should they have to change to Habitat Canada?

Mr. Baker (Grenville-Carleton): Imagine the difficulty of discharging a mortgage.

Mr. Gilbert: If the government wants to bring about a change in name I think it is the responsibility of the government to bring forward the legislation, not that of a private member.

Mr. Kaplan: That is not what you say about your own bills.

Mr. Gilbert: Ah, if parliament were to enact my bills we would see a garden of Eden, we would experience the millenium within a very short time. As I was saying, the

responsibility falls upon the government, not upon a private member. If the hon. member for York West and the hon. member for York Centre (Mr. Kaplan) had set forth in legislation a change in philosophy on the part of the government they would receive complete support from our party, because we believe that housing is a social right in Canada and that all people are entitled to good housing at a reasonable cost. At one time, I thought this was the philosophy of the Liberal government. But it is not. Apparently, the hon. member is more concerned about making a change in name and the Minister of State for Urban Affairs is more concerned about producing more bang for a buck than he is for housing.

About a week ago the minister made a speech before, I think it was called, a property forum. He said, "What we have to give you is more bang for the buck." He claimed the budget contained a number of items designed to achieve that purpose. But at whose expense? It is at the expense of people in the small and middle income brackets across the country. In other words, housing is to be treated as a commodity available at the highest possible price and the highest possible interest rates. This is the philosophy of the government. It has no concern for high interest rates, the shortage in housing starts or land banking. It is all slanted toward the builders, the speculators and the developers.

I am sure, Madam Speaker, you have heard the Minister of State for Urban Affairs talk about the registered home ownership plan under which young people can deduct $1,000 from taxable income yearly for ten years for the purpose of buying a home. What a tremendous achievement! What it really means is that if they buy a home and give $10,000 as a down payment they are left with a mortgage of $40,000 upon which, at the end of 25 years, they will have paid $123,828.

These are the things people are concerned about, Madam. They are not concerned about changing a name. They are concerned about changing a philosophy. I am sure, Madam Speaker, you also heard about the $500 grant for those who purchase homes for the first time. When I challenged the same minister to show me homes in Toronto which cost less than $44,000, the best he could do was direct me to some condominium homes.

He is asking young people to raise a family on the 12th floor of a condominium home. He is asking them to acquire a mortgage of $40,000 at 12 per cent, on which they will eventually pay $123,828. He says, "If you accept this responsibility I will give you $500, which will leave a net balance of $123,328." Isn't this a proud achievement? Is it any wonder that members of my party and people across the country become deeply displeased with the Liberal government and with this attempt which is being made not to grapple with the real problems of housing but to bring about a change in name? What's in a name? That which men call a rose will smell as sweet by any other name, said Shakespeare.

In the last 30 years, CMHC has acquired a meaning. What has Habitat Canada done? What will it do? Nothing. Will it strike at the housing crisis? Will it lower interest rates so that ordinary folk can buy a home? Will it increase land banking operations?

Mr. Kaplan: This is your third time around.

Mr. Gilbert: Will it improve the quality of homes? Never. All it will do will be to create confusion and impose unnecessary expense. On the other hand it might expose the lack of policy and principles of the government with regard to housing.

I should like to touch lightly on what the Minister of State for Urban Affairs said with regard to interest rates: He said:

> We want to make it possible for even more people to be helped, but considering the whole range of the government's operations there are limits to how much taxpayers' money can be committed in this way. I intend to encourage private investment more heavily, which is essential if we are to continue to grow.

● (1740)

> In order to unleash the major sources of private mortgage funds, we intend to bridge the gap in interest rates between the minimum rate at which private lenders can economically lend and the maximum rate at which lower and middle income Canadians can afford to borrow.

The assisted home ownership program provided interest rates at roughly 8 per cent, and the minister wants to increase the funding of AHOP. He does not want to spend more government money; rather he wants to attract private investors. He is prepared to say to these private investors, and more particularly to the financial institutions, "If you direct some money to AHOP at 8 per cent, we will pay you the difference between 8 per cent and the going rate of 12 per cent. In other words, we will subsidize you".

This is a private enterprise principle that the Minister of State for Urban Affairs is now going to attempt to apply. Rather than attempting to decrease interest rates, he is attempting to maintain them and to subsidize private investors. I think that is shameful, and I certainly oppose this bill.

The Acting Speaker (Mrs. Morin): Before recognizing the parliamentary secretary, the Chair would like to remind hon. members that the purpose of Bill C-215 is to change the name of Central Mortgage and Housing Corporation. Therefore the Chair would greatly appreciate it if hon. members would stay within the scope of the bill.

[*Translation*]

Mr. Pierre De Bané (Parliamentary Secretary to Minister of State for Urban Affairs): Madam Speaker, I think that your correction is quite proper, owing to the remarks of the members for Broadview (Mr. Gilbert) and Vancouver-Quadra (Mr. Clarke) who both have shown complete lack of sincerity as well as stupidity and bad faith. The member for Broadview has even criticized his colleague for taking steps suggesting that only the government can do so. I think that it is rather paradoxical for a member of parliament—

[*English*]

Mr. McKinnon: Madam Speaker, on a point of order, is the parliamentary secretary rising on a point of order, or is he going to talk about the bill that he is complaining other people are not talking about?

[*Translation*]

Mr. De Bané: Madam Speaker, I am not at all surprised by the hon. member's protests. I realize how right I was

when I said that the previous speakers did not want to deal with the subject of this debate.

I want to repeat to the hon. member who is trying to interrupt me that it is my turn to speak, and that I do so frankly, openly, like those who have preceded me.

First of all, I wish to congratulate the hon. member for York West (Mr. Fleming) for his initiative in presenting this motion. I agree totally with him when he says that the present name of the Central Mortgage and Housing Corporation does not describe appropriately the role this Crown corporation is playing and will play in the life of Canadians. "Habitat Canada", in both official languages, indicates more specifically to what extent the corporation is concerned with the living conditions of the people in all parts of the country, in villages and small cities, in urban areas and surrounding regions.

While advocating the adoption of the new name, I should not however want to give the impression that the corporation will be less concerned with basic housing questions, and mortgages which are fundamental if all Canadians are to be given a chance to buy proper housing within their means. There is no doubt that the top priority of the government and the corporation in coming months will be to increase considerably housing construction especially in the lower-price bracket, and to make sure that these are accessible to those in greatest need of them. We trust we will be able to find a solution to housing problems which confront us now and which are essentially—

The Acting Speaker (Mrs. Morin): Order. I have asked hon. members to try, as much as possible, to stick to the subject of Bill C-215, that is change of name.

[*English*]

Mr. De Bané: Madam Speaker, with regard to the private bill of the hon. member for York West I want to say on behalf of the government that we totally approve of its intent. I remind hon. members that if you can identify this federal agency in Engligh by the four letters "CMHC", in French that is not possible. I have never heard anyone identify "la société" with the combination of letters "SCHL"; in French you have to say "la Société centrale d'hypothèques et de logement". In English you can identify Central Mortgage and Housing Corporation by the capital letters "CMHC"; in French you must give the total title.

The initiative taken by the hon. member for York West represents, in my opinion, more fully the new role of CMHC, which no more looks upon itself only as a banker, as it did 20 years ago. For 20 years CMHC has been an instrument in the federal government's social policy.

Mr. McKinnon: You are getting out of order again.

Mr. De Bané: You shut up and listen to me—O.K.?

[*Translation*]

Therefore, I think, Madam Speaker, that the hon. member's project fully reflects the role played by the Central Mortgage and Housing Corporation, which has been very beneficial in Canadian history, especially since the last war.

[Mr. De Bané.]

[*English*]

For all these reasons the government welcomes the initiative taken by the hon. member for York West, and on behalf of my minister I commend the bill to hon. members for their support.

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I should like to say, first of all, that I agree with the hon. member for Broadview (Mr. Gilbert) on one point. Habitat Canada sounds to me like a new environmental group.

The parliamentary secretary talked about the desirability of having names equally understood in both languages. As a philosophy in terms of naming new institutions this is admirable, and I am wholeheartedly in favour of such an approach. But what are we going to see now—a whole string of private members' bills wanting to change the names of all Crown corporations, such as the CNR, the Polymer Corporation, Atomic Energy of Canada Limited, Northern Transportation Limited, and so on and so forth?

I think I can speak for the majority of my party when I say that we recognize that some of our predecessors in this institution did not pay as much attention to being able to identify government operations, departments or Crown corporations in both languages as they should, and thus did not choose quite as wisely as they might have. But surely this is little reason to go altering all these names, or at least to alter this name.

I associate habitat with some form of architecture. As the dictionary indicates, it is a word that means nothing. I very often get the feeling that members on the government side think that a change in name is almost as good as a policy. I am not going to get off on to the subject of housing—though Lord knows there is ample room to talk about that subject for several days, not to mention just the few minutes available to me—other than to say that the hon. member is paying attention to historical precedents in this House. I have heard a rumour or story circulating, that I have not had a chance to check out personally, about a current member of government whose claim to fame is a private member's bill that accomplished something along these lines.

● (1750)

The housing problems which exist in Canada are enormously severe. In the last three months the cost of a serviced lot in Calgary went up 12 per cent. What is being done in that regard? I do not know how many employees there are in CMHC, but I suggest the worst thing we could do right now is send them scurrying around the country changing all the literature and hanging new signs on their buildings. Surely what they should be doing is concentrating on housing problems. If we need a new name, Housing Canada would make a lot more sense than Habitat Canada.

I recognize the difficulties in respect of the nature of the two languages to which the parliamentary secretary has alluded, but this does not seem to have hurt IBM, CIL, the CPR or a lot of other companies. At this stage of the game I think it would be reasonable on our part to save the government a lot of money by refusing to order employees of CMHC to run around changing the letters on their stationery and on their buildings when they should be

addressing themselves to the serious housing problems in Canada. I could carry on but, in view of the fact that others of my colleagues would like to contribute, I will leave it at that.

Mr. Dan McKenzie (Winnipeg South Centre): Madam Speaker, on rising to speak on Bill C-215 presented by the hon. member for York West (Mr. Fleming) I cannot help but emphasize the cost involved. At a time of rampant inflation, and excessive and uncontrolled government spending, we should be bringing in bills with ideas to cut down on government expenditure. As the previous hon. member has stated, the cost of the proposal in this bill would be fantastic. Clause 1 of the bill states in part:

> Wherever, in the Central Mortgage and Housing Corporation Act, or in any other statute of Canada or in any regulation, order, deed, contract, lease or other instrument, the words "Central Mortgage and Housing Corporation" appear . . . there shall be substituted therefor the words "Habitat Canada".

Just imagine the fantastic cost involved in carrying out this suggestion at every CMHC office across Canada. I have just received some translation cost figures in respect of one airport tower at the new Mirabel airport. The cost involved there in a similar change is $1.6 million. Costs are astronomical in respect of name changes. Just imagine the cost of changing all the fancy gold lettering on all the office doors across the country.

It would seem to me that, as a result of this proposed change, considerable confusion would develop. Canadians are used to seeing CMHC on the letterhead of this corporation and on its office buildings. If the name were changed to Habitat Canada they would perhaps think that CMHC had moved or that they were in the wrong building. I am sure there would be a tremendous amount of confusion.

The abbreviation of this corporation's full name is not difficult, and it is one that Canadians have been accustomed to for years. There has been no problem with such abbreviations as CMHC, CPR, CNR and others.

I would be happier had the hon. member brought forward a bill with some ideas to correct the many housing problems in this country. When one reads the recent statistics released in respect of housing he will see where the real problem lies. This is the sort of thing to which the hon. member should be directing his attention.

Let me state my reasons for suggesting that hon. members should be concerned about housing in Canada. House building activity continued to decline in October. The seasonally adjusted annual rate of housing starts for all areas dropped to 173,700 units during the month as compared to 192,500 units in September and 206,600 units for the third quarter of this year. One can see the seriousness of our housing problem with housing starts dropping at that rate.

Another interesting sidelight is the number of new homes which cannot be sold. Many Canadians are trying to find homes but cannot manage to obtain CMHC mortgages. Interest rates are way out of line, yet there are thousands of housing units sitting empty. This is where the real problem lies. I do not believe there should be a priority at this time in respect of changing the name of any government department, agency or corporation. We should be finding ways and means of cutting down on government expenses. More concentration should be placed on providing housing at reasonalbe cost with lower mortgage interest rates.

There is a great deal of confusion today in the housing industry. One prominent industry spokesman stated recently:

> I wonder if the government's intent was to cajole house buyers to defer their purchases or to line up today at real estate offices.

There is little doubt that a supply increase is needed, particularly as it affects the lumber and construction industry. The finance minister's proposals as they relate to housing do little but reflect the naivety and uncertainty of the government's economic policies. On the one hand with the $500 grant, the opening of high ratio mortgage loans and the reduction of the sales tax on building materials, the minister appears to be attempting to increase demand. On the other hand with the registered homeownership savings plan, it would appear that his aim is to defer demand.

It is too bad we cannot go back to the days of the Conservative government when anyone could buy a three bedroom bungalow with a down payment of $350 to $1,200. In those days bus drivers, truck drivers, clerks and others could afford to buy homes. This is where the real problem lies, not in respect of the changing of the name of government departments.

The Acting Speaker (Mrs. Morin): The hour provided for the consideration of private member's business has now expired.

Perhaps the House would agree that we resume consideration of Bill C-32 in committee before calling it six o'clock.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

The House resumed consideration in committee of Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade—Mr. Macdonald (Rosedale)—Mrs. Morin in the chair.

At six o'clock the committee took recess.

* * *

AFTER RECESS

The committee resumed at 8 p.m.

The Deputy Chairman: Order, please. House again in Committee of the Whole on Bill C-32. When the committee rose at five o'clock clause 2 of the bill was under consideration. The hon. member for Edmonton-Strathcona.

Mr. Roche: Mr. Chairman, I appreciate the minister returning. I know he has other meetings tonight. I shall put to him a couple of questions. I do not intend to recapitulate the part of my speech I gave before the supper recess, but I shall sum up what I believe Canadians want as they look at the federal government and its desire for petroleum legislation that will make this country grow. What we want is the existence of laws which do not change at a whim. We want laws that may be relied upon at all times.

We want to be able to have expectations that, within reasonable tolerances, are predictable with regard to exploration and development. These are conditions which are far from being met in Canada today. Perhaps I might sum up the feelings of the people in Alberta. The minister knows I began by trying to give the wider perspective from a Canadian point of view, before the Albertan point of view, that there are merits and demerits in respect of this legislation.

I wish now to consider the Alberta viewpoint which I think is in harmony with the views I expressed before supper. I shall quote a couple of paragraphs from the Edmonton *Journal* to give the minister some of the feeling that has been caught in these paragraphs about the situation existing in Alberta today. I quote:

> Given the irony of the situation one can readily accept the outrage of Alberta's premier. Logic, obviously, plays no great role in the formulation of federal energy policies, which appear suspiciously like hastily constructed frameworks designed to cope only with short term political expediencies.
>
> The new federal budget includes provisions that will remove provincial royalties paid by oil companies as deductible business expenses. Last summer Mr. Lougheed warned the federal government against taking such a step on grounds the action would 'damage the confidence and strength of the petroleum industry in Canada.'

However, the federal government does seem bent on a course designed to force the oil industry out of the exploration business all together. That is a source of concern in Alberta today. Now I come to a very specific reason in a speech made by the Hon. Don Getty, Minister of Intergovernmental Affairs for the Province of Alberta, a man who has taken part in negotiations with the federal government, a man who is very modest not only in his views but in his expression of them.

After I read a small section of the speech made by Mr. Getty on Tuesday night in Edmonton, I will ask the minister to respond to the charges that are made in it concerning the ways in which the federal government has deliberately injured the development of the oil industry in Alberta by its conduct and by its failure to consult. We do not need to go over once more all the conferences, accords, meetings and technicalities. Let us look at it the way Mr. Getty looked at in a very sharp focus.

Mr. Getty makes a number of points. He says that the federal government has, over the past 18 months, taken what you could call seven steps. The first step was as follows:

[The Acting Speaker (Mrs. Morin).]

> The Federal Liberal Government is so oriented to protection of the Central Canadian power base and so dependent upon it it couldn't stand to have something as important as oil and gas not under their control.

I remind the minister that I am quoting Mr. Getty, who is saying that the philosophy of the federal government is such that it fails to consult, and is dominant in the discussions it does hold. The second step mentioned by Mr. Getty was that:

> Alberta was told, regardless of what your oil is worth in the world markets, you can't sell it to Central Canadians at world prices. You will still buy from Central Canada at world prices or more but by God you will sell them your oil in the name of Canada, at a lot less. Why? Well it's for the good of poor old suffering Central Canada.

● (2010)

The third step in Mr. Getty's analysis was that Alberta was told it could not even sell oil to people other than Canadians at world prices, even though those other people were willing to pay that price. We cannot do that in Alberta, according to this philosophy, because the money, the $1.5 billion, is needed for central Canada.

Then there is the fourth step. There may be an oil supply emergency, so the federal government is setting up a federal petroleum administration act to give it authority to set prices for oil. It also tells Albertans where the oil must go, and when. This is needed to protect central Canada, or at least that is what we are told in Alberta. Mr. Getty calls this a piece of outright larceny, proposed in the same name of an emergency.

Next comes the fifth step. In Alberta we might get a petrochemical industry, but only after one is established in Ontario with a federal Crown corporation and guarantees that it will get Alberta's oil at subsidized prices to compete with the petrochemical industry Alberta is trying to develop. That is because central Canada needs the jobs.

Step No. 6 is that the federal government is envious about the provinces' natural resources starting to be really valuable. It wants a greater share of the results of this production. So it uses the federal budget not only to gouge more money from the sale of provincial resources, but in a manner that controls or stops the provinces from deciding how much they should get for selling their assets. Alberta is told, "If you don't play along, we'll kill your industry if you don't allow Ottawa a greater share."

Step No. 7 is that there is no longer an oil supply emergency. We realize that following last winter. There is no oil supply emergency at the moment. But not only will the government proceed with a federal petroleum administration act that controls the price and allocation of oil, but it decides to expand it, so now it can control the price of natural gas too, and also determine to whom it can be sold. There is to be no more letting Alberta use those resources to bargain for fairer treatment in confederation. Central Canada says, "We don't expect you to like it, but we're doing it anyway for Canada's sake."

That is the spirit in which the federal government has approached the problem of petroleum legislation. I put these questions to the minister, asking him to respond publicly to Mr. Getty. We can say that the view in Alberta is in harmony with the national interest—with provincial resources systematically being dragged into the federal grasp, with the constitution being literally changed before

our eyes. Albertans are seeing their future heritage and hope being taken from their control. A federal government stomping on Alberta will feed on its own power, and other provinces will also feel its tentacles. That is what this struggle is about; that is what the fight is going to be about, and that is why I feel, along with Mr. Getty, that Alberta must stand and fight for its heritage and its future, and the future of our children.

Premier Lougheed's call is not just to Albertans or even just to western Canadians, it is to thinking Canadians everywhere. But whether they rally to Alberta's side or not, unless there is a change in federal actions and policies the result is a resistance that Alberta intends to maintain. It is a resistance that the province of Alberta can carry on in another way. It is a resistance that members of parliament from Alberta feel committed to, for the good of all Canada. I submit it is a resistance by members of parliament on this side of the House from all provinces, who are concerned that the future development of this country and the future national unity of this country depend upon a square deal for the development of regional resources. I submit that Mr. Getty has made very serious public charges against the federal government, and I think the minister ought to respond.

Mr. Macdonald (Rosedale): At the outset of his remarks, Mr. Chairman, the hon. gentleman said that perhaps when his colleagues address themselves to these questions they talk with a violence that causes them to have a narrow viewpoint, and he said that he would not emulate them. I would have to say that he has followed through. Indeed, in the two years that we have mutually sat in the House at the same time this has been characteristic of his approach, and perhaps uncharacteristic of his colleagues.

I think the hon. member's was a thoughtful approach, but I wonder if he cannot see in the speech made by Mr. Getty some of the basic contradictions he put to himself. In particular, the hon. member started off by saying that he felt Alberta had been victimized by central Canada, just as Mr. Getty did in his speech, through uncharacteristically, I would agree, and dripping with venom he expressed such a terrible antipathy to central Canada. Both gentlemen used the expression "victimized by central Canada," in regard to Alberta.

I remarked earlier today that there had been programs operating in both directions, both in favour of Alberta and in favour of the consuming provinces. Indeed, programs have been operating for the Atlantic provinces and right across Canada to deal with their different circumstances. But "victimized by central Canada"—is that correct?

To deal with Mr. Getty's second point, when he says that, "You can't sell oil to Canadians at world prices", I would point out that there has not been a tradition of selling oil to Canadians at world prices. For ten or 15 years oil was sold to central Canada at about $1.25 or $1.50 above world prices.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Andre: That is not true.

Mr. Macdonald (Rosedale): That is true. It certainly is true. I pay no attention to the hon. member for Calgary Centre, but address myself to the hon. member for Edmonton-Strathcona because he has taken an intelligent approach. The Alberta industry developed on the basis of a series of federal policies, not central Canada policies, but federal policies which substantially assisted the development of that industry and from which at that particular time the producers of Alberta benefited.

That was due to the fact that Ontario in particular, instead of taking the offshore oil which could have been landed more cheaply into the Toronto and Sarnia refineries, developed industry on the basis of western Canada oil. There was no question of victimizing anybody. It was a good policy, and it assisted the development of the Alberta industry.

I have difficulty when I address myself to a member like the hon. member for Edmonton-Strathcona in finding how he can speak with antipathy about a part of the country which I happen to represent, and in which I know he was educated. The hon. member for Crowfoot is an Albertan and he has a particular viewpoint, but may I suggest that bringing out this particular attitude—

Mr. Horner: Why bring me into it?

Mr. Macdonald (Rosedale): —is not going to assist us at all. When the hon. member talks about a particular part of the country being victimized, and Premier Lougheed talks in such vicious terms as he did in September, 1973, about central and eastern Canada, then I would suggest to the hon. member that he might reflect and think about the attitude behind that point of view.

Let me deal with the questions one by one. On the question of world prices I have pointed out that Alberta has not been getting world prices in the past but has been getting better than world prices. Indeed, in relation to natural gas which was a system put into effect through federal policies, gas which would have had to be flared at the wellhead was marketed to the advantage of both those who were consuming it and those who were producing it. Federal policies were in force to achieve this. It was not victimization. It is very much the reason why there are skyscrapers today in Calgary and Edmonton—because there were national policies which gave advantages to that particular industry.

Mr. Yewchuk: The victimization is not by central Canada, it is you.

● (2020)

Mr. Macdonald (Rosedale): That is not what the hon. member said and it is not what Mr. Getty said. If the hon. member for Athabasca means his remark in a personal way, that is all right; I do not care.

Mr. Andre: The minister sounds like Portugal rationalizing the colonies.

Mr. Macdonald (Rosedale): The hon. gentleman referred to Mr. Getty taking exception to the petroleum administration bill. It is not clear in his speech whether he takes exception to the fact that there is a single oil price in Canada, and that we are using part of the economic rent

from the export charge to cushion the price of oil in eastern Canada.

Mr. Horner: What are you doing to bring about more supply in central Canada? That is the question.

Mr. Macdonald (Rosedale): We are dealing with what Mr. Getty appears to be professing and what hon. members are holding up in the House. Members representing the Atlantic provinces, parts of eastern Canada, as well as other parts of Canada, would be very much prejudiced if the price of our oil were forced up to world price levels. I think they should consider again whether they agree to step number four, Mr. Getty's proposal that the federal petroleum administration bill should not go through.

Item number five raises the question of a petrochemical industry being established in Ontario. I hope the hon. member for Lambton-Kent does not have the notion that the Petrosar project should not go to southwestern Ontario because—

Mr. Andre: But where are you going to get the oil? That is the point.

Mr. Macdonald (Rosedale): The notion that the federal government wants to build such a plant in Ontario first is not true. The petrochemical projects have not gone ahead in Alberta as a result of a provincial decision. The planning decision as to where to put the Dow-Dome project has been outstanding for several years. Negotiations are in process with CIL, Dow-Dome and others, but the decision on where the petrochemical industry will locate, and what it will do, is a decision for the Alberta government. It does not rest with this government. This is a matter for provincial decision, and it is unfair to suggest otherwise.

If the hon. member for Edmonton-Strathcona considers this bill from the standpoint of its entailing antipathy to central Canada—and I see the hon. member for Lambton-Kent is sitting in front of him—does it not strike him that his argument is a contradiction in terms? We are talking about policies which exist at present and will exist in future in order to assist all parts of Canada. Does the hon. gentleman really wish to found his policy on that kind of antipathy to the part of the country which I and others in this chamber represent? I suggest the hon. member is far too intelligent to support a policy stemming from that position and I am sure that if he considers that, he will appreciate the contradiction inherent in his argument.

Mr. Roche: Mr. Chairman, we have just witnessed a typical performance by a Liberal minister who uses divisiveness as his main weapon. He began by attempting to divide me from my Alberta colleagues, by suggesting that I am possessed of a much superior view, which he would be willing to discuss with me. Let me tell the minister that everything I have learned about oil and gas I have learned from my Alberta colleagues.

Mr. Faulkner: That is the problem.

Mr. Roche: If the minister knew as much about oil and gas as members from Alberta do, the government would be in much better shape.

[Mr. Symes.]

The minister also used the weapon of divisiveness characteristically to divide and conquer. He tried to make it look as if in some way I am opposed to central Canada because I referred to Mr. Getty's position. Let me say that Mr. Getty can speak for himself; he is perfectly capable of it. I used the words I did, in the context of the Liberal government's domination of this country from a position of central Canadian strength. That is the issue. We, in the west and the maritimes, must keep on resisting this government, so that we can develop. That development will not take place under the centralist philosophy and domination of a government run by Liberals in Ottawa.

Some hon. Members: Oh, oh!

Mr. Roche: I urge the minister to refute the charges made by Mr. Getty and myself. He has tried to make it appear as if we are opposed to the interests of central Canada. I am not opposed to the interests of central Canada, but I am opposed to our entire country being dominated by a philosophy which protects central Canada at the expense of the development of jobs and resources in western Canada as well as in the maritimes. That is the issue.

I went to the Western Economic Opportunities Conference, as did many of my colleagues, and I could quote chapter and verse what happened, but I will not take up the time of the committee. Oh, yes, the Liberals went in with a list of proposals which looked as if they were committed to the well-being of western Canada. Yet 18 months later we know what happened. The result of the conference is zero, less than zero if you consider the lifting of the rail freight freeze.

In his response the minister did not deal with the central problem, which is how we are to ensure supplies for central Canada through strengthening our resource base in the west. We want to develop those resources for the good of all Canada. That development and exploration will not take place unless our people have confidence in the government, unless the government is credible, and unless it is prepared to negotiate. My chief witness is Mr. Getty, a man of great repute in this country. He has given up on private negotiations and made a public attack. That is what the minister must respond to now.

Mr. Hamilton (Qu'Appelle-Moose Mountain): On a point of order, Mr. Chairman, as this debate is to continue on Monday, tomorrow is to be devoted to the consideration of a ways and means motion connected with the budget, and as the minister wishes to propose several technical amendments which must be explained, could the minister not present those amendments now, so that members can study them over the week-end? That way we could express ourselves more cogently. Is the minister willing to accept this suggestion?

Mr. Macdonald (Rosedale): Mr. Chairman, over a week ago I provided hon. members with amendments; there are to be a number of additional amendments. I will be glad to go into them on a clause by clause basis.

Mr. Horner: The minister is filibustering his own bill.

Mr. Macdonald (Rosedale): Not at all. I want to help.

Mr. Horner: Mr. Chairman, if I may speak on the point of order, I find it amazing to note that although the minister presented to the committee some 32 pages of amendments, he now says there are to be more amendments. Quite probably he will present even more on Monday.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, I am trying to do what is obviously in our best interests. We have become involved in a strong political argument, and that is good, but we have work to do. We should be aware of the contents of the amendments. I suggest, after the hon. member for Sault Ste. Marie has spoken—I understand he is next—that the minister might stand up and explain some of the amendments he will propose. That will help us in discussing the very serious points at issue here.

The Deputy Chairman: The Chair will not raise objections to the hon. member's suggestion. We are discussing clause 2. With the unanimous consent of the committee the minister can be allowed to refer to other clauses and to amendments. Is that the unanimous wish of the committee?

● (2030)

Mr. Hamilton (Qu'Appelle-Moose Mountain): I have a correction, Mr. Chairman. All I want to do is use the same precedent I used earlier. The minister can take some of these amendments and explain them, but he cannot move them during this discussion on clause 2. If he wants to explain some of these amendments which are of a technical nature, we can still stay on this clause. He can then table them so we have them on the record and can study them over the weekend.

The Deputy Chairman: I appreciate the point the hon. member for Qu'Appelle-Moose Mountain is making, because we did that in the case of certain amendments that he brought to the attention of the committee. That, of course, was done with agreement. The only point the Chair is making is that this can only be done if the committee so agrees.

Mr. Symes: Mr. Chairman, I rise on the same point of order. I find that highly irregular from the point of view that the minister would be the only one speaking to the amendments today. This is why I say we need the opportunity to have an exchange. I think it would be better to follow the normal practice.

The Deputy Chairman: Consent has not been given.

Mr. Symes: Mr. Chairman, I have a series of questions for the Minister of Energy, Mines and Resources. He might take note of them as I go along, and answer when I have finished.

As I mentioned last night, we cannot look at this bill in isolation. We must look at it in the context of the National Energy Board report and the problem of supply and demand. I wish to sound out the minister on his views of partially meeting our supply problem by means of a method of conservation. The minister talked about the federal government introducing an energy conservation program. I would like him to elaborate on that, and answer some of the questions I will be putting to him.

In its most recent report the National Energy Board predicts an annual demand growth rate for oil at 3.2 per cent over the next 20 years. I find that rather low considering the historical growth rate in the demand for oil. Perhaps the minister can elaborate on how they arrived at that figure.

It is predicted there will be a shortage by 1982 and we will have to become a net importer. This not only means a problem of supply. Studies indicate that the world supply situation will be very tight in the early 1980's. The cost of foreign oil will probably be higher. In light of our tight supply situation in the next few years, it seems advisable for the government to begin now to institute a strong oil conservation program.

The energy demand growth rate for all forms of energy during the fifties was 4 per cent per year. In the sixties it was up to 5.5 per cent per year. The trend is to increased demand, rather than a levelling off as predicted by the National Energy Board over the next 20 years.

Have the minister and the government developed a conservation program embodying some of the following points? If we are to reduce consumption of fuel in Canada because of our tight supply situation, there should be a revision of the building codes to demand more insulation in our homes and office buildings. Has the minister discussed revising the national building code with his colleague, the Minister of State for Urban Affairs, with Central Mortgage and Housing Corporation, or any other institutions involved, with a view to upgrading insulation standards for buildings across Canada in order to conserve fuel?

Second, has the government considered more mass transit systems in Canada, with a view to getting people away from using automobiles for their transportation to work and getting them to use train and bus systems? I know the budget imposed a tax on high energy consuming cars. However, most of those cars are not used by the average Canadian. They are a minority. Therefore, it will not affect automobile fuel consumption very much.

The Minister of Transport is very anxious to go ahead with his short take-off and landing program, STOL, emphasizing airplanes over rapid trains and buses. We know that in terms of passenger miles planes require 10 times as much fuel as buses, and six times as much fuel as trains. In light of the energy supply situation, has the minister urged the Minister of Transport to press ahead with mass ground transportation plans rather than STOL aircraft and similar programs?

Third, has the federal government taken any initiatives in urging provincial governments to reduce highway speed limits to 50 miles an hour? I believe only British Columbia has done this. I point out to the minister that by driving a car at 50 miles an hour rather than 70 miles an hour, there is a saving of 15 to 25 per cent in gas consumption.

Fourth, has the minister considered and will he urge the Canadian public to turn down their thermostats in homes and office buildings? By the way, do government offices still have their thermostats set at 68 degrees as was the

case last winter, or have they gone back to more normal temperatures?

Does the government intend to ask Canadians to turn down their thermostats in order to conserve fuel? I believe the average thermostat is set at 72 degrees. If it were turned down four degrees to 68, each year we would save the equivalent of 900 million gallons of fuel oil, about 10 per cent of the energy used for heating.

Fifth, is the government considering higher prices as a means of enhancing conservation of energy? I hope not. I do not look upon fuel as a luxury. I do not believe that if we raise the price, people will immediately cut back consumption. I draw to the minister's attention that farmers are the largest fuel consumers in this country. They cannot cut back on fuel consumption. They must still drive their tractors and combines. If the farmers' fuel prices increase, food prices will rise dramatically.

One study indicates that if we doubled the price of gasoline, initially the demand would go down 20 per cent, but would be back to normal in six months. If we doubled the price of home heating oil, initially the demand will go down 10 per cent, but in six months it will be back to normal. Is the government considering higher prices as a conservation method? I do not think it would work.

● (2040)

Also, has the government carried out any studies to ascertain the effect of last year's price increases on general fuel consumption? The minister has talked about introducing a conservation program. Has he considered the five points I mentioned? When may we expect a conservation program to be announced?

Mr. Macdonald (Rosedale): The hon. member has asked me about the report of the Energy Board. I do not have a copy with me this evening to refresh my memory as to the bases upon which the board arrived at its predictions of demand figures. The question might be pursued with the officials of the board. We have under consideration a program of conservation, both in terms of the government's own use of energy and in terms of persuading the community as a whole to be more economical. In due course we shall be making this available. The questions the hon. member has posed are the obvious questions one would consider when devising such a program. I shall be in a position later to go into detail as to what measures have been adopted, and why; I am not in a position to go into these details this evening.

Mr. Symes: Can the minister tell us when this program will be announced?

Mr. Macdonald (Rosedale): I doubt that it will be announced before Christmas. It is more likely to be announced in the New Year.

Mr. Symes: We shall await the program with interest. Now I have another question to ask on a different topic, that is, the Sarnia-Montreal pipeline. Would the minister advise the committee as to the current stage of the negotiations with Interprovincial Pipeline? Who will build the line, and who will own it? If the private company will not build it, will the government do so, and under what terms? Also, will the pipeline be reversible in the light of possible supply problems in the years ahead?

Mr. Macdonald (Rosedale): The intention would be to put in the capacity to make the line reversible, although the machinery would not necessarily be put in place in the early years. Negotiations are under way at the moment with regard to the construction of the pipeline. I do not anticipate that an announcement will be made this week, but I do expect that perhaps next week I will be able to make a more definite statement.

Mr. Balfour: Mr. Chairman, I believe it is of fundamental importance in the context of this discussion that we recognize that the critical energy problem confronting Canadians today is not the one-price policy. That is common ground between us. It is not the mechanics of payment of the price shelter or the levying of the export tax. Those were accepted in principle months ago, and the enabling legislation could be passed by this House in an afternoon.

The critical problem, the one which the government stubbornly refuses to acknowledge and come to grips with, is that of security of supply of petroleum and natural gas for Canadians, not for the year ahead but rather for the last half of this decade and the first half of the next.

I ask the minister, point blank: can he assure us that Canada's marketable oil and gas reserves will bridge the gap before new and expensive frontier resources can be brought to market? The answer to this question will determine our ability to fuel our industry, heat our homes, power our transport and co-operate internationally before presently available supplies run out.

I suggest to the minister that there is a distinct and present danger that our domestic petroleum supply situation could become desperate before 1980. Evidence continues to mount that future productive capacity in the presently accessible producing areas is falling short and, furthermore, that our hopes and expectations with respect to tar sands production might be met with disappointment. This morning we learned that one of the participants in the Syncrude project has withdrawn, and that the remaining partners feel obliged to re-examine their position.

The evidence with respect to the availability of adequate natural gas supplies from the existing producing areas is even more clear and it is expected that these will fall far short of national requirements before the end of the decade.

Specific policy decisions and new initiatives at the national level are clearly called for, and the host of present policy uncertainties relating to the oil and gas industry must be resolved so that the monumental task of assuring adequate energy supplies for the future can procéed. The resolution of these problems and the formulation of the policies required call for the highest degree of co-operative action and consensus between both the provincial and federal levels of government and between both levels of government and the industry itself.

The situation cries out for the re-establishment of an atmosphere of trust and confidence, an atmosphere now sadly lacking as evidenced by the hard-line belligerent

statements originating from government leaders in the provinces of Alberta and Saskatchewan and from right here in Ottawa. I suggest the time has passed when recriminatory statements, regardless of their source—and I do not suggest that the minister is solely responsible in that regard—serve any useful purpose. Such statements make no contribution to resolving our problems.

I further suggest that the legislation we are considering here, encompassing as it does a massive assault on what have hitherto been considered exclusive provincial prerogatives, will inevitably lead, if allowed to pass in its present form, to further bitterness, confrontation, and to the disastrous supply crisis referred to earlier.

Surely it is not beyond the ingenuity of the minister, his colleagues in cabinet and his officials, to develop by the process of negotiation a consensus with the provinces, a consensus that will lead to a restoration of that atmosphere of confidence and entrepreneurial spirit which, during the years following the Leduc discovery, resulted in creating in Canada the potential capacity to become self-sufficient for decades to come in oil and gas supply.

I listened yesterday with amazement as hon. members from the Province of Quebec derided the comments made by my hon. friend from Qu'Appelle-Moose Mountain concerning the attitude of provinces other than Saskatchewan and Alberta with respect to the constitutional confrontation that the federal government seems hell-bent on creating. I say I listened with amazement, Mr. Chairman, because on November 12 last I listened to a speech delivered by Mr. Guy Saint-Pierre, the Minister of Industry and Commerce in the Liberal government of the Province of Quebec, and I would like to quote for the benefit of those hon. members opposite some of the things that Mr. Saint-Pierre had to say on this very question we are discussing today. He said, and I quote:

> In 1974—at these crossroads at which the Canadian state finds itself—Quebec supports the claims of Alberta. After all, we consider it as a fundamental principle of confederation that a province has the exclusive and ultimate right to dispose of its natural resources as it sees fit and to take the necessary steps to organize its industrial development unhindered by external pressure. If we do not live up to such a principle, it does not appear to us in Quebec that confederation can be maintained for very long.

He went on:

> Having said that, it will not shock you to hear that the centralizing tendencies of Ottawa in the area of the distribution of these resources and the revenue sharing which flows from it, do not appeal to the Quebec government. In fact, we abhor them.
>
> Having watched closely the attitudes and policies of the Ottawa government, we have concluded in Quebec that for some reason or other the federal government wants to circumscribe provincial initiatives insofar as the distribution of energy resources and the use of the revenues derived therefrom are concerned.

Later in his speech, Mr. Saint-Pierre went on to say:

> We sometimes have also wondered in private whether the federal government has not accepted the objective of limiting provincial involvement in resource development in order to give to itself the time to establish a strategy of partial nationalization of the resources.
>
> We said it privately, as I pointed out. But I wonder if our doubts have not been confirmed. Quebec wanted to become a shareholder in Panarctic Oil. The federal government has decided that we have not the right to do that on the grounds that there could emerge a serious conflict of interest.

Having said all this and after having consulted widely and wisely, the Quebec government accepts the position of the governments of Alberta and British Columbia.

Mr. Saint-Pierre went on to say:

> Federalism must be more flexible. Mr. Trudeau endorsed the need for this flexibility at the opening of the energy conference in 1973. However, recently he seems to have acted as if he had come to reject this principle which demands interprovincial consultation and federal-provincial agreements freely entered into.

● (2050)

I say to hon. members opposite that Mr. Saint-Pierre's excellent speech deserves careful study if we truly want to understand the attitudes and aspirations not only of the people in the producing provinces in western Canada, but of the people in all of Canada.

I suggest to the minister through you, Mr. Chairman, that he is in real danger of making a serious and tragic miscalculation concerning the mood of the people of Canada in respect to their historical provincial prerogatives and attitudes to confederation. I suggest that the minister reconsider his present determination to usurp to the federal power the unilateral price fixing mechanism embodied in the legislation before us.

I have listened carefully to what hon. members opposite have had to say about this legislation and about energy policy generally, and there have been many interesting views and opinions put forth. But instead of opinions I invite members opposite, and the minister, to reflect on a few facts. Nine hundred million dollars have been carved out of oil exploration budgets for 1975. In a report published today, Statistics Canada predicts that a reduction in exploration expenditures of $800 million will result in the loss of 54,800 jobs for one year, and a sales decline of $973 millions in other industries through spin off effects.

The Minister of Energy, Mines and Resources and his colleagues in government must shoulder their share of the responsibility for these results, results which, I suggest, it is not exaggeration to describe as catastrophic. We have finally arrived at a point where the industry's calculations regarding future supplies and proven reserves of oil and gas approximately match those of the government's own National Energy Board. Instead of responding in a positive fashion with policies of encouragement and incentive, designed to ensure that the industry will be able to provide for the future, the government has created a situation so intolerable that industry is taking flight.

I feel genuine concern—and I hope my remarks reflect that concern—for the Canadian consumer who will be most affected by a prolonged federal-provincial conflict over the resource industry. Negotiation, conciliation, consultation and co-operation between the two levels of government has always been a policy of my party and, indeed, of the minister's own party. Damage to the intricate workings of the delicate balance of our confederation that has taken decades to achieve would be tragic and possibly irreparable if the government continues on its present course. It is not just the interest of the producing provinces that is at stake; rather, clauses 36 and 52 of this bill endanger the rights of any province that prizes its provincial prerogatives.

That he retreat—and I do not use that word in a derogatory sense because it would be an honourable withdrawal

having regard to the important constitution issues at stake—from his present posture of "my way or no way," reopen the doors of negotiation with the provincial governments concerned and seek a solution by consensus and consultation rather than confrontation, is a policy that I urge most sincerely upon the minister.

The bill before us in its present form should be withdrawn. Our party stands ready to co-operate in the fullest sense to provide the minister with whatever legislative authority he requires to maintain the petroleum price and shelter system he has developed, and to levy the export tax necessary to implement it.

Mr. Firth: Mr. Chairman—

Mr. Douglas (Bruce): On a point of order, Mr. Chairman, I am sure that the hon. member for Sault Ste. Marie, in speaking about STOL aircraft, would not like to mislead the House. I think he mentioned that STOL aircraft required six to eight times as much fuel as trains or buses. I should like to put a couple of things straight on the record.

The Deputy Chairman: Order, please. The hon. member for Bruce is not rising on a point of order but entering into the debate. He will be recognized in due course if he wishes to participate in the discussion.

Mr. Firth: Thank you, Mr. Chairman. I think there are very few members of the committee who know what it is like to have to pay $2.25 a gallon for fuel to run their motorized toboggans. Likewise, very few members of the committee know what it is like to have to pay $1 a gallon for fuel in the Arctic, especially when you have to use 25 to 30 gallons a day at times when the temperature reaches 50 below. A lot of fuel is flown in to many parts because it is a necessity of life, especially in the high Arctic. Neither do I think there are many members here who know what it is like to have to pump their own fuel and have gasoline burn their hands while pumping gas into an aircraft that is going on a very important mission, and pay $2.25 a gallon for 80-87 or 110-30. I do not think those terms register with many members here, but they are common in my constituency.

The average price of fuel in the high Arctic is in the area of $1 a gallon and up, and that is a very sad situation. I am happy to see that the Minister of Indian Affairs and Northern Development is in the chamber tonight because I am sure he is aware of a certain program in operation in Old Crow in the Yukon. This is a program that makes use of alternative fuel supply, since it is impossible to fly fuel into Old Crow to run the nursing station and school at all times of the year.

This program, which has worked very well, utilizes wood as fuel to run the school, and this in itself creates an industry in a little village like Old Crow. The people there go out and fell trees, and use their own labour and resources in providing fuel to run the school. This is a very good program that I think should be considered for some of the smaller villages in the Arctic, especially along the tree line.

I think this point should also receive serious consideration. We have airlines like Pacific Western that charge a

[Mr. Balfour.]

higher rate per passenger mile and a higher charge for freight in and out of the Arctic compared with elsewhere. Their aircraft refuel at the wellhead at Norman Wells. The company uses 737's and other kinds of sophisticated aircraft, but charges a much higher rate than Air Canada or other common carriers in the Northwest Territories compared with other rates across Canada.

Why do we allow companies like Imperial Oil to rip off the public by refueling Pacific Western Air Lines' aircraft and charging a higher rate than is charged similar equipment elsewhere in Canada? This does not make sense to me, and I do not think it would make sense to anybody else. North of Norman Wells bulk barges are used on the river to transport fuel further north. Sometimes we pay higher rates north of Norman Wells than south of Norman Wells, even though it is the same company doing the transporting. I suggest these questions should receive serious consideration.

Aside from that, I should also like to make this point. How many people, in this House or in the southern part of Canada generally, know what it is like to have to pay from $2.25 to $3 per gallon for fuel for their motorized vehicles which they require to make their living? These people in the north have to pay that amount and there is no tax rebate, whereas farmers in the southern part of Canada do get a tax rebate on the cost of the fuel they use to produce food.

● (2100)

The Innuit or the Indian has to pay upwards of $2.25 per gallon to run his motorized equipment in order to go out and fish, or hunt cariboo to feed his family, and he gets no rebate whatsoever. He is not even considered to be a farmer, yet he is working his land by fishing and hunting for cariboo or moose just as the farmer down here works his land, yet the farmer here receives a tax rebate and does not have to pay as much for low-grade fuel.

This is something hon. members of this House should consider. There are only about 40,000 people in the whole Northwest Territories. They are not all hunters and trappers, but these people must pay these high prices for fuel to harvest their crops in that area, and I think they should be considered for some kind of tax rebate.

[*Translation*]

Mr. La Salle: Mr. Chairman, I am pleased to take part in a debate on a bill which has, I think, a great importance. To start my remarks, I would like to read its title once more:

An Act to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade

I imagine that the minister responsible should aim at ensuring the necessary supply of those products at the best possible price for all Canadians. It is not the basic objectives of the government that concern us but the means it intends to use to reach them. As many other members, I believe there are acceptable means that, in the name of federalism of which we talk so often, could give much sounder results than the means proposed in this bill. It is also clear in this bill, Mr. Chairman, that there is no agreement with the provinces. If there is no agreement between the provinces, the federal government will have

the right to decide that its authority to set prices for oil and petrochemical products will become permanent. And if we extrapolate a little and take into account the objectives of the National Energy Board, I think that this bill does not apply only to two provinces but to the ten provinces that make up Canada.

We feel also this centralization spirit which is unfortunately unacceptable if we respect the right of the provinces. I do not say that the government has no responsibility concerning the oil supply in Canada or a better service for Canadians.

The government has responsibilities, but it must assume them in consultation with the provinces. Mr. Chairman, we have heard the comments of several ministers and members of the opposition. The whole campaign promoting extraordinary powers is conducted in the name of national unity and interest. Whether we are to realize national interest or unity, I could not care less. I think we should rather realize national harmony. We are aware of the marked differences that characterize each of our provinces. We have a typical example of this with Alberta and Saskatchewan. There have been hundreds of examples in Quebec for 104 years. Every time a major problem rises, it is in the name of national unity or interest. That is not true, Mr. Chairman, we are wasting our time. To my mind, the time has come to recognize that our major national problems are caused by the different needs of each part of Canada. We have tangible proof that it is national harmony we will have to seek by recognizing the differences between the provinces, and attempting to harmonize them in such a way as to better serve the voters in each region.

We have the proof that it is unthinkable to introduce a bill of national scope which corresponds to the needs of each province. So, it is also impossible to achieve national unity if that objective is to be reached. And it is also impossible to reach that objective, to the extent where the provinces will not feel at home within a federal regime. And once again, with regard to this bill, and many other acts to be introduced which we have already seen, the provinces will not feel at home. The fiasco is already recognized, when the provinces cannot feel at ease within Confederation. The federal government therefore has a responsibility—that of motivating the provinces towards an acceptable consensus, that of co-ordinating the actions of some of the provinces through a form of management acceptable to them, for the greater good of our country; but not by giving the federal government powers which, in the final analysis, belong to the provinces and are recognized as such.

● (2110)

Some provinces already have reacted to the legislation before us. And I think sufficient comments have been expressed in newspapers. Dealing with the province of Quebec particularly, they have already mentioned the position of the minister, Mr. Saint-Pierre, who bluntly urges the provinces to unite against those extraordinary powers.

I think this is clear enough and I believe Mr. Saint-Pierre implicitly expects to get the support of the members from the province of Quebec in this House.

Of course, the premier of Quebec has not yet made any statement, but he will do so as usual when the Prime Minister of Canada (Mr. Trudeau) gives him the opportunity to express his views on that matter. But Mr. Saint-Pierre has a very definite opinion, and his remarks are fairly justified indeed.

Moreover, Mr. Saint-Pierre made a very clear point when asking every province to unite and prevent the federal government from assuming such extraordinary powers.

Quebec, has some hon. members pointed out, has a historical background has a defender of rights. It has always somehow complained, and often with just reason, about the federal government encroaching on some powers. And we could recall the days of the hon. Maurice Duplessis and his successor Mr. Lesage who put up some rather extraordinary fights in the matter of taxes. We also heard Mr. Johnson's representations. We are concerned by Mr. Bourassa's silence. Private members from Quebec might hopefully rouse him and invite him to voice his opinion has other premiers outside Quebec already have in that matter. Today, Mr. Chairman, we are dealing with oil, but next will come mines and electricity. And I am worried about the Quebec premier's silence. That is why I am raising that point. I hope to challenge him into answering at least his minister of industry's invitation and joining other provincial premiers to force the government in Ottawa to act as coordinators and not has centralizers.

I therefore dare hope the hon. members in this House whom the people of Quebec have greatly trusted will also depart from their silence and support the invitation by Mr. Saint-Pierre.

It is not the first time indeed that Quebec ministers invite Quebec members to give a yes answer. Mr. Choquette did so not long ago, Mr. L'Allier very often, and so did Quebec Immigration Minister Bienvenue. It has been done for quite some time.

It is my definite impression, Mr. Chairman, from what I hear, that ministers representing the Quebec government find absolutely no support here, although we have 60 Quebecers. If separatists only will defend the province's sacred rights and oppose the centralizing of such powers, I wonder if Quebec members from the other side could say today they are meeting Quebec's needs.

Let us give examples. By their silence on this bill and on others, as well as by their failure to act on Quebec ministers' requests, they show they have non inkling that they are being taken. So did Mr. Bourassa feel in Paris. I wonder if he was being short-changed, because it appears the deep sea water port will not be forthcoming for Gros-Cacouna, judging from the silence kept by our members and Quebec's premier. There is a direct link there with the energy issue. Not a word is being said on the matter. I would however, Mr. Chairman, recognize the efforts made by the member for Rivière-du-Loup-Témiscouata (Mr. Gendron), who made representations; but nothing was heard of other members on the subject.

The member for Rivière-du-Loup-Témiscouata did not get the support needed. And the ministers responsible for the project are unfortunately too silent too. The proof that this government is getting powers that will be not only

embarrassing, but harmful to the provinces, can be found in the statement made two days ago in Paris by the Quebec premier, when he dealt with enriched uranium.

And, right away, the minister responsible in Ottawa immediately said: In any case, they cannot pass that agreement with France until I give my approval. We know that the premier of Quebec had the courage, while very far away from Quebec, to accuse the federal government of playing the role of a customs officer with respect to that project. I hope he will repeat that in Quebec, for example. I also hope that our members when they sit here will urge him to do so.

So, the stakes, the objective, is respect for the provinces. I think the government must set the prices and distribution with them in the interest of every citizen. And that is possible. Through many additional meetings with the provinces we will be able to make the distribution to the extent that some provinces will be able to do so. The redistribution of our wealth with the other provinces, to the extent that it is acceptable, must be done. It is not because the federal government would have all the powers that it would be the only one capable of making that redistribution. Why, if we were able to have an agreement a year and a half ago on that oil issue with the co-operation and the participation of the provinces, would it be impossible in the future to have prior negotiations within the spirit of the constitution. Indeed, the powers of the provinces must be respected. I am happy to see, Mr. Chairman, that this time the province of Quebec is not necessarily directly involved. But, indirectly, in a general way and in the long term, all provinces will be embarrassed if this bill should ever be passed. Indeed, there are signs and statements from our ministers in Quebec that are disturbing. I read recently a speech by the Quebec Minister of Communications who was concerned—

An hon. Member: Another separatist.

Mr. La Salle: Another separatist. Because one is not a Liberal in Quebec, Mr. Chairman, it seems one is necessarily a separatist. That opinion is not worth much.

The Minister of Telecommunications, who has a lot of problems with his counterpart in Ottawa, recently showed his discouragement about federalism and its future in a speech before the Chamber of Commerce. I believe this is a warning that our members from Quebec in Ottawa should seriously consider when they hear people like Mr. St-Pierre, Mr. L'Allier, Mr. Choquette and so many others. And the Solicitor General (Mr. Allmand) is aware of this from his recent discussions with Mr. Choquette. He always receives negative answers and Mr. L'Allier goes on by saying that he is concerned and sad that this support is not sufficient.

Therefore, Mr. Chairman, we must force the government to respect the rights of the provinces. For my part, I refuse to support such a bill which puts the provinces in a straightjacket. And it is not the first time that this government is tempted to do so. I therefore say right away to the provinces: Wake up and unite or else you will soon be considered unimportant entities by the federal government. Those are, Madam Chairman, the few comments that I wanted to make about this bill which is vitally important for the future of our country. I believe that all those who respect the rights of the provinces wish that this national harmony be realized fundamentally in each of us.

It is not with coercive measures like the one under consideration that we will reach this goal. I recognize the good intentions of the minister, but I do not accept the means he suggests. I regret that I do not have more support from my colleagues from Quebec since this bill is essentially against the federalism principle. People will regret the silence of these members and I invite all of them to prove to the government that there is a way to help Canadian citizens. But we must take other means than those suggested.

● (2120)

The Assistant Deputy Chairman: The hon. member for Bonaventure-Îles-de-la-Madeleine.

Mr. Béchard: Madam Chairman, I am not answering the invitation of the hon. member for Joliette, but I would just like to know if he would answer a couple of questions.

The Assistant Deputy Chairman: Would the hon. member for Joliette accept a question?

Mr. La Salle: Yes, Madam Chairman.

Mr. Béchard: Madam Chairman, the hon. member for Joliette said earlier in his remarks that he did not care about Canadian unity. I should like to ask him how the bill before us tonight deny any right over the provinces' natural resources, as he said so well in his speech? I put the question to the hon. member for Joliette.

Mr. La Salle: Madam Chairman, I am pleased to answer the hon. member for Bonaventure-Îles-de-la-Madeleine. First of all I said I could not care less for national unity, because it is an aim that has not been reached. I am talking about national harmony. Admittedly the provinces are different.

An hon. Member: It is quite different.

Mr. La Salle: Yes, it is quite different. On one hand, we refer here to national unity, but there has been too much sermonizing about it, Madam Chairman. Then I am asked where the bill provides clearly that in case of disagreement among the provinces, the federal government will go to great lengths not to butt in. I say that we have no right to make any decision about those measures for the provinces.

Thus the provinces are deprived of rights acquired according to the spirit of the bill now under consideration which explicitly states that if there is disagreement, the government will decide. The government should not decide, but call together the provinces and co-operate with them. The provinces have control over their natural resources. It does not rest with the federal government to abolish their rights.

Mr. Béchard: Madam Chairman, the member did not answer my question. Would he answer another question. Can he say whether his speech or those he has delivered in the House during the past few weeks are drawn from his daily reading of the separatist newspaper *Le Jour?*

Mr. La Salle: Madam Chairman, I am pleased to say to the member for Bonaventure-Îles-de-la-Madeleine that I read during the day, because I do not read at night. I also read other dailies to be informed, but I do not read only the Liberal newspaper published each month. I would ask the member for Bonaventure-Îles-de-la-Madeleine to read clause 36: Where no agreement is entered into pursuant to section 22 with the government of a producer-province . . ."

Clause 36 answers adequately the question he asked me a while ago.

Mr. Béchard: Would the hon. member allow me another question?

The Assistant Deputy Chairman: Order. I regret to interrupt the hon. member but the time allowed to the member for Joliette has now expired.

[*English*]

Mr. Reynolds: Madam Chairman, the comments by the hon. member opposite directed to my friend from Joliette point out that the hon. member for Joliette does read every paper, separatist or anything else. At least he knows what is happening in Canada today. He has a better idea than the hon. member opposite or the latter would not have asked the first question. Quite possibly, since we are not getting much reaction from the other side, he may have been asleep during the debate.

First of all let me point out that in light of the fact that on Monday there is to be a very important meeting of federal-provincial ministers of finance to consider budget implications, particularly implications surrounding the deductibility of provincial royalties for tax purposes, the timing of the presentation of this bill is most inept. To even consider this bill by itself, apart from the federal budget, is virtually impossible as they are completely interdependent. Also, since this bill was before the committee on November 13, the National Energy Board has indicated the very unhealthy state of our oil and gas industry, and has pointed out that in a relatively short time our country will not be able to meet its own oil needs.

The confusion and confrontation between the provinces and the federal government have placed unnecessary strains on exploration and development of yet unfound oil sources. Last night, for example, the CBC carried a report indicating that exploration plans of roughly $2.1 billion have been reduced by some $900 million. Can anyone in this House deny the implications of a loss of $900 million to the future of Canadian oil exploration? Quite obviously no company or corporation wishes to become involved in what can best be described as a declaration of war between the provinces and the federal government. We find that the budget on November 18 has reiterated the stand of the May 6 budget in making provincial tax and royalties non-deductible.

Bill C-32 is not simply ratification of the March 27 agreement between the provinces and the federal government, but an attack on provincial rights of ownership. The government has made its stand through this bill crystal clear. That stand is that the federal government is determined to intervene in the provincial governments' rights to land, forest, mining and oil. Let us not be so naive as to think that only one, two or three provinces are involved. The entire country is involved, each province is involved and every Canadian is involved.

It is clear, also, that it is not only the petroleum industry that is involved, but the same format holds for the mining industry. In my own province of British Columbia this continuing confrontation and the lack of serious negotiations have seriously upset the entire natural resource exploration and development industry.

This royalty situation is indeed a most critical one, and resource industries throughout my province are finding themselves forced into a system of double taxation, economic chaos and certain closure.

An hon. Member: Let the Liberals in. Get rid of Barrett.

Mr. Reynolds: I could not agree with the hon. member that at this time we should get rid of the premier of my province. Although I disagree with his philosophy, he has a tough job when dealing with this federal government.

The very fact that the provinces and the federal government are increasing taxation of the resource industry has very simple and straightforward consequences. When thousands upon thousands of jobs are involved, and millions of dollars invested in exploration, how long will it be before these companies simply cease to produce, or until the provincial governments are forced to adjust or cancel their royalties which, of course, form one of their most important tax bases?

It is quite obvious to most people in western Canada that if we do not get these royalty payments we will not be able to build up a secondary industry base like that which is so strong in eastern Canada. If the federal government insists on going along with this measure, where is western Canada going to be ten years from now when its natural resource is depleted?

We have heard much rhetoric about the voluntary agreements reached with the federal government and the provinces of Alberta and Saskatchewan regarding subsidization of oil products to the benefit of all Canadians in the amount of roughly two and a half or three billion dollars a year.

All parties praised the efforts of those involved in considering their fellow Canadians. But what happened to that faith in bargaining? Again, very simply, the Liberal government destroyed the agreement, broke faith with those provinces and, through its proposed budget of May 6 and its new budget of November 18, declared an invasion into traditional provincial rights.

There was never an attempt by the Liberal government to sit down as an equal with the provincial governments and negotiate responsibility and fair terms and conditions.

If the members of this House do not feel that the unilateral action of the federal government in the petroleum area is not a power play aimed directly at our constitution, then they are sadly mistaken. If they do not feel that this is only one more giant step in an attempt again to increase centralized control of this country, then they are greatly mistaken. If they do not feel that this attitude of confrontation rather than negotiation will seriously jeopardize the true meaning of federalism, then they are seriously mistaken.

Based on this bill and government's intention to have even greater control of our petroleum industry, the Canadian consumer can soon expect the same result that has been occasioned in other areas where government has taken control.

We have seen the disastrous effects of government sponsored marketing boards and, in spite of government's attempts otherwise, we are looking at the highest prices for eggs in our history.

The federal government got into the food industry and appointed Beryl Plumptre to the Food Prices Review Board. What a waste that was.

If the people in this country are prepared to pay a dollar to a dollar and a half for a gallon of gasoline, or if they are prepared to anticipate major shortages during our energy crisis, then by all means let us continue with the confrontation, let us continue to detract exploration capital from Canada, and let us continue to press for even greater federal control of our economy.

If, however, we are to have a truly viable resource industry, which will provide not only for our own immediate needs as well as our long term needs, but assist in supplying some of the needs of our American neighbours, then stability and encouragement must be returned to this industry. The very future of our own industrial expansion is at stake.

I should like to read into the record an extract from a press release I issued during the last election campaign. It concerns something about which I felt very strongly, as I think did a lot of people in western Canada. The results of the election in that part of the country endorse this. In the second paragraph of this release, dated May 13, I said:

> One of two things is painfully apparent in Finance Minister Turner's proposed taxation changes for the resource industry.
>
> 1. His preparation was based on absolutely no investigation into this area (which one can assume is doubtful) or
>
> 2. He is deliberately encroaching into an area which is primarily a private taxation reserve of the province.
>
> If one disregards the first point, then one must assume that a select group of senior civil servants have taken it upon themselves to invade an area of provincial domain and have convinced their minister that such action would be beneficial to increasing the ever-growing federal power base and pressuring those provinces into reducing their royalties if their resource industries are to remain even slightly economically sound and they are to provide substantial employment opportunities.
>
> Under the new budget proposals, by not allowing the deduction of provincial royalties before computing federal tax, confusion in the resource field to companies both large and small will result, and the resource industries will find themselves forced into a system of double taxation, economic chaos and eventual closure.

● (2130)

Consider, for example, Company X, which should net $18 million in 1974, pay a basic royalty of 2.5 per cent on their gross, amounting to $1.025 million and pay a subsequent super royalty of $6.805 million and 50 per cent federal and provincial tax of $9 million profit. Total taxes and royalties then would amount to $16.83 million, leaving a profit of $1.17 million on an original investment of $63 million. The effective rate of return would be 1.85 per cent.

Consider Company Y, which should net $38 million in 1974. Their basic royalty on 2.5 per cent of the gross would be $2.3 million, the super royalty would amount to $21.025 million, and federal and provincial tax on profit would be $19 million. The total tax and royalty would be $42.35 million, or $4.35 million more than they net. Therefore, on an original investment of $138 million they would be operating at a $4.35 million loss.

I point out that companies X and Y actually exist and operate in Canada.

Now consider the oil industry in Saskatchewan. Oil is sold for $3.08 a barrel by the company concerned. There is an additional $3.42 royalty to the province concerned, to bring the total to the agreed price of $6.50 per barrel. The cost to the company to produce this barrel is roughly $2.50, representing a profit of 58 cents per barrel. Add to this the royalty of $3.42, which under the new budget will not be deductible, and you arrive at a figure of $4. At a 50 per cent tax rate the federal government will collect $2 for every barrel produced from a company which is only making 58 cents per barrel. The net loss to the company, therefore, will be $1.42 per barrel. Surely this must pose some very serious questions to the provincial premiers and to the people of this country.

With thousands upon thousands of jobs involved and millions upon millions of dollars being invested in our exploration provinces, how long will it be, under the proposed budget, before these companies simply cease to produce, or until the provincial governments are forced to adjust or cancel the royalties which are one of their main tax bases?

Let me close by saying that members of this House representing provinces of western Canada think of Canada as a unified country. They always have Madam Chairman.

Some hon. Members: Hear, hear!

Mr. Reynolds: For years western Canada has paid more than its share in making sure that the provinces of central and eastern Canada can get oil. Year after year we have helped in this way. We did not object last year when the government introduced a bill to ensure that all Canada could get oil at a preferred price. But we do object to the fact that the people in British Columbia, Alberta, Saskatchewan and Manitoba must pay more for automobiles and manufactured goods than the people of central or eastern Canada. And, by introducing this bill, the government is saying it will not allow the western provinces to make the money which is necessary to make the west strong and to allow it to establish secondary industry. Such industry is necessary if we are to survive, if we are to remain a strong force in Canada in years to come.

Mr. Nystrom: Let me begin by saying that, as a western Canadian, I want to see this country stay united. Maintaining national unity is important, as we all agree. If it were not for certain portions of the budget I suggest that much of Bill C-32 would not be controversial.

An hon. Member: Who are you kidding?

Mr. Nystrom: I suggest that we shall find in Bill C-32 many principles which all parties can accept, as two or three Conservative members suggested earlier this afternoon. I think we all support the idea of a single, domestic price for oil across Canada, transportation and handling

costs being considered apart from the price. I think all members of the House accept the idea of the subsidy to cushion the price of oil in our five eastern provinces. I also think many hon. members believe that the export tax was justified, as it helped the country during the past winter. We do not quarrel with these ideas.

I think what concerns hon. members is that the federal government through this bill is proposing unilaterally, without consulting the western provinces, to go behind the agreement of March 27 and 28 last. The government began this process in the budget of May 6 last, in which it said that royalties paid to provincial governments for oil and gas could not be deducted from income. That was done without consulting the provincial governments concerned, even though an agreement had been entered into last March.

It goes without saying that we were able to surmount the difficulties of last January, February and March because of the consensus which had been arrived at, which was possible because of the compromise arrived at by the western premiers and the Prime Minister. Great credit is due to Premiers Lougheed and Blakeney for agreeing, on their part, to hold down the price of oil to $6.50 per barrel. Yet under this bill the federal government, without consultation, has decided to force its way into the provincial field and take a greater share of provincial revenues. It has done this by telling the provinces that royalties paid on oil and gas will no longer be deductible from income.

Then, the Minister of Justice said that if provincial governments try to out-manoeuvre the government by nationalizing industries in the provinces or turning them into Crown corporations, the federal government will consider taxing such Crown corporations. Such threats, following a voluntary agreement, make it very difficult for hon. members to grant speedy passage to this bill.

As the Ministers of Finance are to meet on Tuesday—I think the Mines Ministers met today in Ottawa—and as it is not reasonable to expect speedy passage of this bill, would it not be sensible to let them discuss this measure before we finally deal with this bill? If they do this, perhaps some questions that are of concern to hon. members can be clarified, and perhaps this bill could pass. Certainly as things now stand many questions remain to be answered.

The ways and means motions to be considered in connection with the budget have raised many questions in the minds of provincial ministers. How can one consider Bill C-32 without considering what is in the budget, and without referring to negotiations and statements made by the federal government about what is to happen to oil in this country and to oil coming in from outside?

I suggest that the federal government must be given the right, after consultation, to set the domestic price of oil. Ultimately the federal government will be given that right. I wonder whether the government is prepared to consult the provinces on this question. I am referring not only to Saskatchewan and Alberta, but also to Ontario, Quebec and other provinces. Is it ready to negotiate with them and arrive at a position on the basis of consensus and compromise? These are things which I, as a western Canadian representing a constituency in Saskatchewan, am very concerned about at this stage when we must contend with many difficulties in the field of oil.

There are problems regarding the movement of drilling rigs out of this country. We face problems in terms of long-term supplies of oil. So long as the federal government chooses to act unilaterally it will be difficult for the industry, whether owned publicly or privately, to develop satisfactorily. My party, of course, supports public control and ownership of oil and gas; nevertheless, whether the industry is owned privately or publicly, it will not develop satisfactorily unless the federal government can sit down with the provinces and hammer out some kind of agreement. This must be done to let the industry know where it stands, and to let us all know where we stand.

● (2140)

When I look at statements that have been made at the budget and so on, I wonder what the government has up its sleeve. I have here a press clipping from the November 13 issue of the Regina *Leader-Post*. It quotes the federal minister as saying he had a deal with the oil and gas companies. The article was headlined "Promise broken", and it reported that "Some oil companies broke a promise to the federal government by not pressing the provinces for a reduction in royalties," the Energy Minister was quoted in Ottawa as saying on Thursday. "The oil companies said in meetings before the budget was brought down that if Ottawa reduced its tax burden, they would turn their attention to the provinces. The minister said he regretted that they have not followed through with their promise."

Until I read that article I did not know that a nice cozy little deal had been made between the federal government and the oil companies. If Ottawa were to back down a little—the Minister of Finance says it has—the companies would turn their attention to the provinces. Why was this type of arrangement cooked up?

I have often heard Eric Kierans, a former member of this House, say that multinational oil companies liked to work with this government. They could control this government, but they found the provinces were getting tough and difficult to deal with. I now see a Canadian Press story quoting the minister who said he had cooked up a deal with the oil companies prior to the budget. I wish he would cook up a deal of some sort with the provinces. He should bring the provinces into his confidence and negotiate with them. If those types of things were done, the bill before us today and other energy legislation we are going to deal with in this House could be dealt with in a positive and expeditious manner.

All of us are concerned about unity. We are concerned about the supply of gas and oil. We know we are running into some long-term difficulties. We must sit down with the provinces, lay our cards on the table and be open and frank with each other. If that is done we can look forward to a very positive future for our country in terms of energy in the long term.

These are some of the concerns that I have. They are some of the concerns of my province and, indeed, of all Canadians. I conclude by warning the minister that if we continue in this fashion of unilaterally doing and saying things, all the provinces will be up in arms. The govern-

ment will have a difficult time in keeping the country together, having it as a meaningful federation where wealth and opportunities can be distributed to help all regions. If the federal government does this sort of thing with only certain industries, it will have the premiers down on its neck. They will naturally be concerned because there will not be balanced growth and balanced development. Unless the government changes direction, we are in for some real trouble in the years to come.

Mr. Friesen: Madam Chairman, I take pleasure in rising to speak on this topic. We are not simply discussing the matter of oil but the right of future Canadians to design their own destiny. Last week I listened to a half hour speech by the Prime Minister which he recycled twice. He discussed what he said was the policy of how best to serve the Canadian people. Over and over in that speech one word kept ringing out. That word was "control". It was not so much the concern of the Prime Minister or of the Minister of Energy, Mines and Resources about what is best for the Canadian people but rather about whom will control the resources of the provinces in the future. Control is the operative word on the government side of the House at this time. This is the concern of the central government.

I believe in a strong central government. If we are going to have an orderly dispatch of business in Canada, we must have a strong central government. What I fear is a pervasive strong central government, a government that is not only strong but moves into areas that up to this time have been the concern of the provinces.

When the government takes it upon itself to move into the area of taxing energy in this country, it is moving into an area rightfully belonging to the provinces. We have to fear this kind of pervasive strong central government which moves into areas not hitherto considered within its purview.

There may be two possible reasons why the government feels justified in doing this at this time. First, it thinks it has the right to do it. If the government feels it has the right to move into the energy resource field at this time, it has already decided it has jurisdiction over offshore resources.

The west coast and the east coast have another resource. That is the fishing industry. Here is a resource which the federal government has already indicated it has the right to control. Does the minister in the future intend to exercise control in that particular industry which is one of our vital natural resources on our east and west coasts? Is the minister prepared to project himself into the future and foresee a time when he wants to control that particular industry? The minister is not listening. He does not want to answer that question, so I will move on.

This pervasiveness of the government is characterized by that very homey, heartwarming, almost heartrending phrase which the Prime Minister and the minister talked about, "benefits for all Canadians." That always sounds so appealing. It has a paternalism about it, a care and a concern. I would like the minister to describe how this works in with co-operative federalism.

Paternalism always carries with it an aura of social concern. It has the ring, but not the heart of social concern. The heart of social concern allows people the dignity to choose for themselves. That is precisely what the government is cutting off with this measure.

[Mr. Nystrom.]

How can we talk about social concern for all the prople of Canada when we take away from them the right to decide the destiny of their natural resources? If the government is really concerned about benefits for all Canadians, it will let the government of each province decide what is right for its people.

Let the government of each province distribute the benefits of the natural resource of that province. After all, it is closest to the needs of its people. Provincial governments know the needs of senior citizens and the deprivations of their people. Let them distribute the benefits of their natural resources. The provincial governments are a little closer to the scene. They know a little bit more about the needs of their provinces. In this way the benefits of these natural resources would be distributed to all Canadians.

The problem is that the benefits will not go to all Canadians if this government is handling them. Chances are they will go to ever-expanding Canada Council grants, LIP programs and bureaucracies. That is where the benefits will go. If the benefits actually went to those who need them most, we could see some sense in what the government is proposing at this time. Far be it from me to want to take away this kind of resource from the benefit of all Canadians. If we had that kind of assurance, we would be loathe to thwart the government in that area.

● (2150)

This kind of paternalistic control is wrong because the government is incompetent to handle the situation, if the report of the National Energy Board is to be believed. We recognize that the government is not ready to handle our natural resources. We recognize that the government is not handling with competence the resources which are already available to us. How can we entrust to it the resources of the future? The government is at fault in even bringing this bill forward. This legislation asks us to disregard the needs of our people by moving into an area which is far better left to the provinces.

Mr. Munro (Esquimalt-Saanich): In my efforts to understand the import of this particular bill, I spent a fair amount of time going through it carefully and I have broken it down into its various components. The bill is divided into five parts. The first three clauses are preceded by paragraphs. They are designated first, as Short Title; then Interpretation, as is normal, after which we come to clause 3. I think it would be useful if I were to read clause 3 into the record:

> This Act is binding on Her Majesty in right of Canada and in right of any province.

Hon. members will see that it is short, but to the point. I was struck by the words of this particular clause. In fact I could not believe that parliament would ever be asked to consider such a provision in this context. Disallowance has gone out of style, but we have now invented something else which is called an override. Clause 3 appears in this bill to override any regulation which a province might bring into force in this area.

It so happens there are four other sections of this nature on the statute books of this country. Incidentally, all were passed under Liberal governments. All these sections do not read in exactly the same way, but the import is always the same—overriding rather than disallowing. One of them deals with international river improvements. I think that is acceptable. An international river is a river which flows along a border or which crosses a border and if something is done in Canada to affect such a river, something which affects people on the other side of the border, Canada is responsible under international law. A clause of this kind makes some sense in those circumstances.

Another such clause is to be found in the Fisheries Act as amended in 1970. I refer hon. members to the Statutes of Canada chapter 17. It has to do with deleterious substances and marine plant harvesting, presumably beyond the limits of provincial jurisdiction. Fair enough.

The third example is interesting. It is very topical. It has to do with nuclear liability. We have been hearing lately about a particular premier who has undertaken to negotiate contracts in the international field for the sale of uranium products or for the enrichment of uranium products in Canada for sale abroad. In this particular act there is a section which reads very much like section 3: "Subject to subsection (2) the Crown in right of Canada or the province is bound by this act." I think this particular premier will receive a rude shock when he returns to Canada from his tour abroad to find that section 33 of the Nuclear Liability Act, Chapter 29 of the Revised Statutes, may make it a little difficult for him to export enriched uranium.

The fourth of these sections on the statute books I find difficult to understand—I have still to examine its full implications. But it appears as part of the Explosives Act, chapter 15. It has the same kind of implication.

So there are four sections of this kind already on the statute books. A fifth is before us this evening and we are asked to do something about it. If I am not mistaken my hon. friend from Qu'Appelle-Moose Mountain will be proposing an amendment in an effort to make this a little more palatable in federal terms because this overriding feature is one which I do not find acceptable, and I am sure the provinces from east to west would agree with me.

May I call it ten o'clock?

Progress reported.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

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

VETERANS AFFAIRS—PROPOSED INCREASE IN PENSIONS OF HONG KONG VETERANS—GOVERNMENT POSITION

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, on Friday, November 29, as recorded at

page 1798 of *Hansard*, I asked the Minister of Veterans Affairs (Mr. MacDonald) a question regarding the recommendation concerning Hong Kong survivors made recently by the Standing Committee on Veterans Affairs. I believe it was my third time of asking when we might see the recommended legislation. The minister indicated in his response that the matter was under consideration both by him and by his department. He said that a matter like this takes time, but that if something is decided he would be glad to inform the House.

I am sure that all members of the House who are interested in veterans affairs will agree with me that one of the particularly decent and humane results of the Woods committee study, the report that followed it, and the legislation that came out of that report, was the fact that significant improvements were made in the pensions of Hong Kong veterans. My particular interest in this matter stems from the fact that there were many from my city of Winnipeg in the Winnipeg Grenadiers who were in Hong Kong, and spent years as prisoners as a result of that expedition. Any of us who know these veterans, these survivors of Hong Kong, are aware of the tremendously difficult experience through which they went.

As a result of the Woods committee recommendations legislation was passed which provided that any Hong Kong veteran or any Canadian who was a prisoner of the Japanese in that part of the world is to be regarded as being disabled at least to the extent of 50 per cent. This has the advantage of providing a little better pension for some than would otherwise be the case. It also has the very real advantage of providing that the widow of any Hong Kong veteran is guaranteed a full widow's pension as a matter of right. As I say, Madam Speaker, we regard this amendment to the Pension Act which dealt with Hong Kong veterans as one of the very decent and humane results that came out of the Woods report.

Even so, it is a fact that there are quite a few of these Hong Kong survivors for whom the going is still very tough. I am thinking in particular of those who are on pensions at rates between 50 per cent and 100 per cent. If I may use round figures, there are about 1,165 survivors of the Hong Kong experience. A hundred and seventy-five of these are on pensions of 100 per cent, and approximately 530 are on pensions of 50 per cent; as I say, no Hong Kong veterans are below 50 per cent. But in between these two groups there are roughly 460 whose pensions vary from 55 per cent to 95 per cent.

Many of these Hong Kong veteran survivors are finding it extremely difficult to hold jobs and stay in the labour market. It was on that background that the Standing Committee on Veterans Affairs, at its meeting of Tuesday, October 22, 1974, adopted a first report to the House of Commons, which was presented that afternoon, and which reads as follows:

> The Standing Committee on Veterans Affairs has the honour to present its first report.
>
> While considering its Order of Reference dated Thursday, October 3, 1974 relating to the Estimates for the fiscal year ending March 31, 1975 under Veterans Affairs, your Committee agreed to report the following to the House:
>
> Your Committee recommends that the government consider the advisability of introducing legislation to provide for full pensions to all Hong Kong veterans forced out of the labour market.

A copy of the relevant Minutes of Proceedings and Evidence (*Issue* No. 2) is tabled.

The whole case is right there in that report, Madam Speaker. We welcome the fact that there is a 50 per cent floor, but we feel that for those Hong Kong survivors who are out of the labour market, whether because they cannot find employment or because their health does not make it possible for them to work, this suggestion is one this House would like to see implemented. We are really talking about only 460 survivors of that Hong Kong expedition.

I know that no one in this House is more sympathetic toward those survivors or feels more deeply about them than the honourable and gallant Minister of Veterans Affairs (Mr. MacDonald). If he is having trouble with his Cabinet colleagues some of us are ready to back him up. We do hope he will soon be able to bring in the legislation that the standing committee recommended. I would remind him that he was there when that recommendation was made and he seemed to be in complete sympathy with it. I hope he has good news tonight.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): As indicated by my colleague opposite, there was legislation passed to assist the Hong Kong veterans and other Canadians who were prisoners of the Japanese. Anyone who was a prisoner received 50 per cent pension. This was very beneficial at the time of passage and continues to be so. The widows of Hong Kong veterans continue to receive the pension.

If I recall the motion by the committee on veterans affairs, and I have not got it before me, it was that all those who were prisoners of the Japanese during the war and not employable or not able to obtain employment should have their pensions increased to 100 per cent.

Mr. Knowles (Winnipeg North Centre): That is correct.

Mr. MacDonald (Cardigan): I would submit, as I have done previously, a day or two ago, that this whole matter requires a considerable amount of work and detail. The pension commission of my department, in conjunction with others, is presently studying this matter and I hope to be able to come forward with a report on it before too long.

MULTICULTURALISM—ALLEGED CHANGE IN GOVERNMENT POLICY—REQUEST FOR ASSURANCE TO MINORITY GROUPS

Mr. Paul Yewchuk (Athabasca): Madam Speaker, I want to make a few comments about the subject of multiculturalism. I think it is fair to say that since at least the turn of the century minority groups in this country have contributed greatly to the progress and development of the country. It is also fair to say that there has been a great deal of progress made in terms of these minority groups being accepted socially, economically and otherwise by Canada's majority groups.

● (2210)

When the multiculturalism policy was announced a couple of years ago it appeared at the time that the government of the day was taking cognizance of the fact that Canada's minority groups had a real and genuine desire to maintain their own particular individual identities, the reason being that any individual or individual group if they were to compete successfully in society and make the maximum contribution to that society must feel confident and proud of their own identity.

We can look back even to debates in this chamber at the turn of the century and find examples where blatant outright prejudice was expressed against minority groups coming into the country at that time. As I said before, I think the situation within this country certainly has improved as these groups have been more identified as part of the Canadian entity, and as they have proven themselves to be as productive, as useful, as intelligent and so on as anyone else in Canadian society.

The policy of the past two years stirred a genuine hope and feeling among Canada's minority groups that finally their status had been elevated from third class to second class citizens, and that it will be elevated in due course even to that of first class citizens.

It is interesting to note that following the 1972 election, when the Liberals came back with a narrow margin and were groping for support in the hope that they might get back with a majority, they were very interested in multiculturalism and appointed a full-time minister, although he was not given any authority. He was sort of like the fellow who operates the gas pump at the gas station while the real manager is inside, in this case the Secretary of State.

At that time we had a full-time minister who was dedicated to the concept of multiculturalism and thought it was a good thing for the country. He probably tried to do a sincere job. He thought he could promote the concept and make it more acceptable to society at large. I think it is fair to say that, having appointed this man, the government of the day did improve its position with regard to its relationship in political terms with minority groups, in that some of these people decided to support the government in the 1974 election for that reason.

It is difficult for me to understand why, when a majority government was returned, suddenly these people were no longer important. It seemed that suddenly they were not needed any more because a majority government was returned. We were back in the old arrogant days of the twenty-eight parliament.

I asked the Prime Minister (Mr. Trudeau) a question in the House, and he said he did not think the situation was upsetting anybody or that it meant a downgrading. The Prime Minister suggested that the Minister of Labour (Mr. Munro) is so intelligent and competent that in 5 per cent of his time he could do more for multiculturalism than the hon. member for Parkdale was able to do on a full-time basis. I find that argument difficult to buy.

I have received responses to a question I asked of ten major ethnic groups in the country. I asked what they thought about the appointment of a part-time rather than full-time minister, and whether they thought this would increase the status of multiculturalism. One group said that it was confusing, that they felt labour was far removed from multiculturalism and they wondered what would happen. Another group was disappointed and did

not think the government was taking multiculturalism seriously. Another group said they were confused and angered. They were involved in certain programs but now doubted whether multiculturalism was going to continue.

Still another group indicated that they wanted a full time minister with a full time department. The fourth group said they felt they had been deceived because promises had been made and broken. Another group was afraid that grants would be slowed down. There was one group that had no position. Another felt that multiculturalism was being phased out, whilst yet another felt it was being denigrated.

I think this is pretty good evidence of what the groups feel about this matter of firing the former minister and tagging the job on to another minister who has a full time department, and who is also responsible for women. I am not sure what he does in that role, but that is his responsibility.

We have a situation where one-third of Canadians feel they are being suppressed, their status threatened, and that they are being downgraded from nearly equal to another category of subjugated Canadians who are not supposed to be proud of their identity.

If one looks at the report tabled by the Consultative Council on Multiculturalism it will be found that it expresses in a straightforward manner what the minority groups of the country expect from their government. On other occasions I asked the minister whether he would consider implementing any part of that report, but he simply said he was studying it and was waiting for yet another report. This type of answer does nothing to allay the fears of Canada's minority groups that they and their languages are being suppressed, and that the government is not taking action to retain their culture.

I see the parliamentary secretary is sitting on the edge of his seat so I will conclude and listen to what he can tell us about these serious problems.

Mr. Mark MacGuigan (Parliamentary Secretary to the Minister of Labour): Madam Speaker, I concur with the observations of the hon. member for Athabasca (Mr. Yewchuk) about the sometimes sad record of minorities in Canada in the past, and about the importance of assuring that their future is brighter. Of course we must observe that the discrimination to which they have been subjected has not usually been discrimination in law—certainly not laws made by this parliament, but rather discrimination in fact. Naturally the law has to take cognizance of this and do its best to try to raise to the status of first class citizens all who belong to minority groups.

I wish I could say that I agree with rest of the statements of the hon. member for Athabasca. I find it unfortunate that he has thought it necessary to indulge in political posturing tonight. He knows better than to say that people in minority groups are no longer important to the government merely because there has been a change in ministers. That is nonsense. In fact, the Minister of Labour (Mr. Munro) is not only one of the senior ministers in the cabinet but is one who is assisted by a parliamentary secretary. However, he is no longer responsible for the status of women as that responsibility has been transferred to the Minister of National Health and Welfare (Mr. Lalonde).

Under the aegis of the present minister the Canadian Advisory Council on Multiculturalism has been extremely active. In the last several months regional meetings have been held across the country, and the annual meeting will be held in Ottawa on December 13 and 14.

Contrary to evading the questions of the hon. member with respect to the first report of that council, the minister has pointed out that the report has to be confirmed by this forthcoming meeting, after which it will be presented to the government. In addition, the Ethnic Studies Advisory Committee has also been extremely active under the minister's direction.

I would conclude, Madam Speaker, with a short quote from a speech the minister gave in Winnipeg to the Canadian Ukrainian Committee Congress on October 12.

● (2220)

. . . concern has been shown over the most recent Cabinet restructuring. Let conjecture stop right here. Multiculturalism is a permanent government policy. The programme requires further attention and development. I am committed and determined to giving it both.

The federal government considers multiculturalism an integral part of Canadian society and therefore a cornerstone of real and lasting Canadian unity based on mutual respect and understanding. Our government naturally believes that multiculturalism can operate fully within the context of bilingualism and both are part and parcel of the reality of Canada.

Government policy in this area rests not on the convictions of the minister who happens to be responsible at the moment; it rests on the firm policy and conviction of the government itself. This has been amply demonstrated in the last several years and is being demonstrated at present.

IMMIGRATION—POSSIBILITY OF OBTAINING COUNSEL FOR PERSONS FACING SUMMARY DEPORTATION—REVIEW OF CASES BY MINISTER

Mr. Elmer M. MacKay (Central Nova): Madam Speaker, on October 21 of this year, as a result of a case in which I had a particular interest, it having been referred to me by a former chief of police in the constituency I represent, I asked the Minister of Manpower and Immigration (Mr. Andras) if he was prepared to take the initiative and permit individuals faced with deportation procedures time to obtain and properly instruct counsel.

The minister indicated in his reply that the whole matter of immigration procedures, policy and legislation has been under investigation since 1952, and that the government was going to do something about it. He also indicated that if I would give him specific instances of people who were treated unjustly by special inquiry officers he would ensure a thorough examination of these practices.

I am taking the minister at his word and using this opportunity to elaborate upon the case of which I spoke earlier, involving a man named Richard Eddy, an American citizen from Miami, Florida. I emphasize, in fairness, that since the date I asked the question, the minister has written to me. His letter, dated October 17, reads in part:

With regard to the future, Mr. Eddy is prohibited from visiting or working in Canada until such time as it is possible to seek relief from the prohibition against him. If, in the interim, there is good reason to admit him to Canada for short periods of time, I can authorize a minister's permit to facilitate this. My decision, of course, would be based on the circumstances prevailing at the specific time he would wish to come forward.

That is fair enough. Unfortunately it is a little late to do anything, as I first got in touch with the minister in a letter sent by hand on July 22, when the matter was pertinent.

I have received today, by coincidence, a letter from Mr. Eddy in which he gives me an up-to-date assessment of what has happened to him as a result of the delay in having this matter, which occurred on July 17, of this year, dealt with before now. His letter is lengthy. I shall quote briefly from the last part and indicate that I am willing to send it to the minister or to his parliamentary secretary, so that the entire document may be available to them. His letter says in part:

. . . My next statement should probably be better left unsaid, but I now, in my depressed state of mind, find that fairness is as difficult to obtain in Canada as it is here. Most people go to Canada to escape some of the hypocracies here, only to find myself chastised so intolerantly by that immigration executioner. I find myself again a victim to political misuse.

Perhaps the man is exaggerating, but the point involved here, Madam Speaker, is that despite my efforts to intercede for this man he has suffered irreparable damage because of the procedural delays involved. Had he had even a few days to instruct counsel adequately and prepare his defence, I am sure the minister could have made time available in which the man could post a bond or make such arrangements as would permit him to fulfil his contractual obligations.

It is probably too late to help this man now. To demonstrate what type of evidence was used against Mr. Eddy, that evidence forming the basis for his expulsion from this country, may I quote from the sworn statement of an American attorney who has been involved in the case. The circumstances set out by the attorney form the basis for Mr. Eddy's alleged unsuitability for remaining in Canada, even though he had come here for many years and posted a bond each time.

The sworn deposition I am about to refer to comes from Richard G. Taylor, of Miami, Florida, who writes as follows:

Pursuant to our conversation of this day, I am happy to give you a recapitulation in writing. Richard Eddy had occasion approximately 3 years ago to help provide entertainment in a raffle for a Chamber of Commerce men's meeting in Hollywood, Florida. This is a small municipality north of the city of Miami, Florida. Towards the latter part of the evening the Hollywood municipal police department, acting upon an alleged call of a person on the wanted list and being present, surrounded the place. The call turned out to be quite without merit. The police were a bit chagrined and thereafter and incidental to their unsubstantiated call, they arrested Richard Eddy and either one or two other girls for selling chances on prizes, originally, allegedly conducting a lottery and thereafter changed those charges to the principals of the Chamber of Commerce, and, due to the fact that the girls or girl had worn negligées they modified the charges to lewd and lascivious or pornographic of that type and nature.

Actually, the whole matter was totally out of proportion to reality and without any real merit. I disposed of the matters for Mr. Eddy on a nolo contendere basis paying some nominal fine which was much less

trouble and easier and accomplished a disposition for everyone involved.

I am utterly amazed that your country should have heard of the matter inasmuch as this did not in any way involve a state or federal offense. Again, I repeat that the matter was truthfully an unwarranted resultant disposition in a small municipality in southeast Florida.

He goes on to say he knows Mr. Eddy and can vouch for him. I see I am just about out of time, Madam Speaker. I have never met this man. It is the principle that is involved that concerns me.

To make the matter even more ironic, Mr. Eddy had an assistant who was with him at all relevant times when he was in Canada, who underwent the same experience and was treated in the same way, and yet this assistant was not disturbed and was allowed to remain in Canada. I think this says something for the thoroughness and consistency of the procedures used by the particular immigration officers in question.

I have other names and incidents involving people who have been treated in a high-handed way by immigration officers, and I trust the minister will be as good as his word and investigate seriously the attitude and the actions of those people in his department who exercise what amounts to a judicial function, and that he will provide people who are affected some of the traditional judicial safeguards.

I am satisfied on the basis of what I know about this case, and I have gone into it in considerable detail, that at no time was Mr. Eddy given adequate time to instruct counsel properly. The consequences have been very serious. I am sure this is the case with many other people as well, which is why I raise the matter at this time.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Labour): Madam Speaker, I am pleased to answer this question on behalf of my hon. friend, the Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Rompkey), who is absent on official business.

I was not aware that the hon. member for Central Nova (Mr. MacKay) was going to concentrate on a particular case. Therefore I am not able to respond with any details of the particular case. However, I wish to place on record the kind of deportation proceedings and procedures at the point where an immigration officer considers that, for one reason or another, a person should not be allowed to come into, or remain in, Canada. At this point he prepares a report, as required by the Immigration Act, in which he outlines the statutory prohibitions relevant to the case in question.

The person is informed of the contents of the report, given an appointment to appear at an inquiry, and told that he may be represented by counsel should he so desire. Counsel may be a lawyer, clergyman, or in fact any person whom the applicant feels may be of use. The special inquiry officer who conducts the inquiry is an immigration officer whose responsibility it is to inquire into and bring out all relevant facts in the case before him.

Before the fact finding portion of the inquiry begins, if the applicant does not have counsel with him, he is again

informed that it is his right to have counsel should he desire. If he is not represented and does not wish to be, the inquiry proceeds with only the applicant, the special inquiry officer and stenographer present, but if, as sometimes happens, during the proceedings the applicant has second thoughts and wishes counsel, the special inquiry officer will adjourn the inquiry to allow such arrangements to be made. If required, a competent interpreter is provided by the department and is of course present throughout the inquiry.

Before the special inquiry officer arrives at his conclusions, the applicant and/or his counsel are given every opportunity to question, probe, expand upon, and deny, every allegation, statement, document, etc. presented to the inquiry. In arriving at his decision, which is based on all the facts that have been presented at the inquiry, the special inquiry officer is bound by the parameters of the Immigration Act. In other words, only legal considerations, as opposed to humanitarian or compassionate ones, can be considered. If the decision is to admit the person, he is admitted immediately. If the decision is to deport, then deportation is carried out as quickly as possible, taking into account of course human considerations. Naturally, if the applicant has the right of appeal to the Immigration Appeal Board no action is taken until that right has been exercised.

I would like to add that from time to time allegations and complaints are received from persons who feel that they were unfairly or unjustly dealt with by a special inquiry officer. When such information is received a complete investigation is carried out, and invaluable in such an investigation is the complete and "certified correct" transcript of the proceedings. This allows the department to examine in detail everything that transpired.

● (2230)

In addition, I must repeat that if information comes to light during an inquiry which makes a person prohibited under the act, then the special inquiry officer has no alternative but to order deportation.

In conclusion, I would like to reassure hon. members that our special inquiry officers are experienced officers, knowledgeable in the law, who have a tremendous task to perform in the interests of this country and, although not infallible, generally speaking they do a very fine job.

Motion agreed to and the house adjourned at 10:32 p.m.

HOUSE OF COMMONS

Friday, December 6, 1974

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

ENVIRONMENTAL AFFAIRS

PROPOSED TABLING OF CORRESPONDENCE AND STUDIES RELATING TO ENVIRONMENTAL DAMAGE BY SYNCRUDE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek leave of the House to move a motion of urgent and pressing necessity. In view of a letter made public this morning in Alberta from the federal Minister of the Environment (Mrs. Sauvé) to the Alberta government in which she states there is the likelihood of major environmental damage as a result of the Syncrude Tar Sands project, I move seconded by the hon. member for Brant (Mr. Blackburn):

That the Minister of the Environment table in this House all relevant correspondence and environmental studies on the impact of the Syncrude project on the environment.

Mr. Speaker: The House has heard the terms of the motion. It being proposed pursuant to Standing Order 43, it cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

● (1110)

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—KNOWLEDGE OF MINISTER OF LABOUR OF COMPLAINTS AGAINST UNION WHEN CAMPAIGN CONTRIBUTION RETURNED

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to address a question to the Minister of Labour arising from his statement that he had returned the contribution made by the SIU toward his campaign because, and I think I am quoting him, he was aware generally that the union was the subject of controversy. I should like to ask him whether by that phrase "the subject of controversy" he had in mind the charges of violence and intimidation—the complaints made to his predecessor in 1972 to which reference was made in the House yesterday, and other charges?

Hon. John C. Munro (Minister of Labour): No, it was not because of any reference to that matter. It was as the result of being involved in mediation efforts on the Great Lakes during the summer, although the SIU was not itself connected with that particular dispute. I became aware that there were internal disputes within the union—I had been aware of it for some time. There were law suits going on, contested elections and so on. I was aware that there was internal union strife of one kind and another in connection with the leadership.

Mr. Stanfield: The minister said yesterday that his officials had made him aware of complaints submitted to his predecessor in 1972 accompanied by affidavits. Is he now saying that he was definitely not aware of these complaints about intimidation and violence at the time he returned the contribution?

Mr. Munro (Hamilton East): No, I am not saying that. I am saying it was some time during the summer when I became aware that prior to my being minister there had been a complaint or complaints with respect to the SIU. I have checked this out since the hon. gentleman's question yesterday and apparently it was one complaint backed up by several affidavits. Someone alleged he had been beaten. That is the matter to which I referred when I said the officials had recommended that, first, the complaint be taken to the police, and, second, to the watchdog committee of the CLC. There was one complaint, action had been taken some time ago, nothing further came of it and I thought the action taken by the officials in my department was appropriate. So that matter was not prominent in my mind at the time. I cannot tell the Leader of the Opposition the precise moment at which this information was conveyed to me but it was some time during the summer or the fall.

Mr. Stanfield: I gather the minister is saying that his officials had informed him of this prior to the decision being taken to return the cheque.

Mr. Munro (Hamilton East): Might I clarify the matter? I thought this had happened a long time ago; appropriate action had been taken, so it did not appear to me there was anything improper about the SIU. The reason I came to the decision I did was that I felt the union was involved in controversy and if someone wished to do so he might say, at a later stage, that I was compromised by reason of the acceptance of a contribution, even though such a charge would not be valid. So I returned it. Obviously, from that point of view I might as well not

have done so because people are still trying to attribute improper motives to me.

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—POSSIBLE WARNING TO PRIME MINISTER, CABINET MINISTERS NOT ACCEPT CAMPAIGN CONTRIBUTIONS FROM UNION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, granted that the minister felt that the action taken regarding the complaint in 1972 was appropriate at the time, but did it not occur to the minister that his department might have to deal with this matter of alleged violence and intimidation in the SIU, and that consequently this would involve a potential conflict of interest, with the possibility of the government having to deal with it? In view of the minister's knowledge of this complaint and, presumably, his awareness that the government might have to deal with it eventually, did the minister inform the Prime Minister of his decision and his position, with a view to warning other cabinet colleagues that it might be important for the government to have to deal with this whole question at arm's length, so that they would be warned against accepting contributions from the SIU in the event that the matter did develop further?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, as I indicated to the Leader of the Official Opposition yesterday, no, I did not take it up with the Prime Minister. The position I have always taken is that I have assumed, and I think correctly, that members of parliament on both sides of the House at election time do receive contributions, and that this does not constitute a conflict of interest. The contributions come from various sources. I am sure that the Leader of the Official Opposition's own party receives contributions from corporations and goodness knows who else during the course of an election which may involve positions on policy that are going to be taken later. I have yet to hear any member of the House suggest to the Leader of the Official Opposition or to the Conservative party that the positions they take on policy matters once the election is over are in any way affected by the contributions they have received. We give them sufficient credit, which they are not apparently prepared to give me, for basic integrity in this regard.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, without the minister thinking that I am attacking his integrity, I should like to ask him whether he considers it appropriate for a Minister of Labour to accept a contribution from a union about which complaints have been made in the department, as the minister knows, concerning violence and intimidation. Does the minister feel it is wrong for me to question him as to whether he did not feel that there was a potential conflict of interest there, and as to whether, in view of that, he did not take the matter to the Prime Minister so as to warn other colleagues who might find themselves in an embarrassing position?

Mr. Munro (Hamilton East): Mr. Speaker, at that time there were no outstanding complaints against this particular union. There had been one in a previous administration which had been dealt with, I think in a proper fashion. I am not going to be one of those who condemns a union, a corporation or an individual or in any way impugns them on the basis of no evidence. If during the course of an election I am going to accept contributions from companies and unions, I will do so in the same way as everybody else does so, namely on the assumption that they are valid and legal corporations or individuals. If it turns out differently later on, then I will take the appropriate action against them, just as anybody else would, and just, I trust, as the Leader of the Official Opposition would.

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—EVIDENCE NEEDED TO ESTABLISH NECESSITY FOR INDEPENDENT INQUIRY

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, may I direct a question to the Acting Prime Minister. In view of five charges having been laid to date by the police against SIU members for offences ranging from the dangerous use of firearms to assault occasioning bodily harm, all charges having arisen from waterfront violence, and in view of further allegations of violence and intimidation within the union, will the Acting Prime Minister indicate what further evidence he feels is necessary before an independent inquiry can be commissioned to look into these matters, bearing in mind that we are dealing with a federally chartered union that has a similar record of violence as set out more fully in the Norris Commission Report of some 10 years ago?

● (1120)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the evidence we have received so far does not seem to us to justify an inquiry of this kind.

An hon. Member: Let us see it.

Mr. Sharp: This is one of the reasons my colleague, the Minister of Justice, has been in touch with the authorities in Ontario who would have the evidence of violence and the kind of information to which the hon. member has alluded. So far we have not received evidence of the kind that would justify us launching such an inquiry.

Mr. Speaker: Order, please. Before permitting the hon. member to ask a final supplementary question on the subject, and I might say that I do not want to interfere with his right to pose questions, I should indicate that the question has been taken in this sense: Has the government or the Acting Prime Minister sufficient evidence now to warrant an inquiry? That would be a proper question, and it was that kind of question to which the answer was given. However, a question which went on to ask what further evidence or what specific evidence would be required in the future to constitute that kind of an inquiry would be hypothetical to begin with, if not the subject of some other disability. However, I will permit the hon. member a supplementary.

ROYAL CANADIAN MOUNTED POLICE

KNOWLEDGE OF FORCE OF INVESTIGATION BY ONTARIO PROVINCIAL POLICE INTO ACTIVITIES OF SEAFARERS' INTERNATIONAL UNION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Solicitor General I will direct my supplementary question to the Acting Prime Minister.

An hon. Member: Come on in Warren.

Some hon. Members: Hear, hear!

Mr. Stevens: Mr. Speaker, with the presence of the Solicitor General now perhaps I can direct my question to him. In view of the minister's statement that he knew of "no suggestion of wrongdoing by SIU officials in recent years", and in view of the fact that SIU activities have been under investigation by the Ontario Provincial Police since April, will the minister indicate whether he was in fact aware that the OPP was investigating SIU activities since April and, in particular, will he indicate why the RCMP chose not to gain any knowledge concerning the OPP investigation until last Wednesday?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I had no knowledge of an OPP or any other investigation until the request was made to me by the Minister of Labour to investigate the allegations of Mr. Shulman. In respect of the question of why the RCMP chose not to investigate, again I think that is a serious accusation. The RCMP investigate if they see evidence of something wrong taking place, or if somebody requests that they investigate. There is no evidence that the RCMP chose to ignore certain wrongdoing, and not to investigate.

* * *

LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—REQUEST FOR PUBLIC INQUIRY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in view of the fact that the issues surrounding the SIU in respect of its activities on the waterfront and its involvement in the controversies that have been discussed this week are not being resolved by ex parte statements by Cabinet ministers, and in view of the right of the public and of this parliament to an independent examination of the whole matter, will the Acting Prime Minister get in touch with the Prime Minister and recommend the early establishment of a public inquiry under either the Canada Labour Code or the Inquiries Act?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, on the basis of what has been discussed in this House of Commons I see no reason to make such a recommendation.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in view of the fact that nothing has been made known to us as a result of the government's own investigations, do we not have the right to a public inquiry?

Mr. Sharp: Mr. Speaker, a public inquiry is a very serious matter—

An hon. Member: That's right.

Mr. Sharp: —and could not be undertaken on the basis of wiretaps or the statements of a member of the Ontario Legislature. If there are charges to be made there are plenty of people on the other side of the House who can lay those charges and can investigate before they pass on gossip and the kind of half truths that have been—

An hon. Member: There is something you are trying to hide, Mitch.

Mr. Sharp: —put forward here without anyone taking any responsibility whatever. All that has happened in this House in the last two days has been the repetition of what Mr. Morton Shulman said.

Mr. Speaker: The hon. member for Winnipeg North Centre on a final supplementary.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, does the acting Prime Minister not realize that he has just confirmed my statement that all we are getting from Cabinet ministers are ex parte statements?

Mr. Sharp: It certainly confirms that we are not getting any information from the other side of the House upon which we could take action. All that is happening here is repetition of Morton Shulman's statements, most of which have been proved to be false.

* * *

[*Translation*]

AIRPORTS

MIRABEL—TREATMENT OF EXPROPRIATED PARTIES—MINISTER'S POSITION

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Minister of Public Works.

In view of the fact that since 9 p.m. last night, over 500 persons have been occupying the offices of the CAIM at Sainte-Scholastique to protest against the policy of the federal government, can the minister tell us whether he intends to visit those people with a view to finding a solution to the problem?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, in the case of Mirabel, we are in the process of rounding up a conciliation committee. I, in no way, want to resort to acts of intimidation against the government.

[*English*]

LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—MATTERS BEING INVESTIGATED BY RCMP AND ACTION TO BE TAKEN FOLLOWING REPORT

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I have a question for the Solicitor General. Would the Solicitor General advise the House whether the investigation by the RCMP is an investigation into strict matters of illegality or whether there is also consideration being given in their inquiry to questions of propriety or conduct of ministers.

Hon. Warren Allmand (Solicitor General): Well, Mr. Speaker, their investigation is into the impropriety of ministers as it would relate to charges of a criminal nature relating to corruption, bribery or anything of that nature. They would not be investigating something that would not be illegal. In their investigation I presume there will be charges, counter-charges and statements by different witnesses, and then they will have to decide whether there is enough evidence to lay charges under the Criminal Code or any other statute.

Mr. Clark (Rocky Mountain): I have a supplementary, Mr. Speaker. Just so that we might understand this completely, then it is the situation that any judgment as to a question of propriety by a minister is at this stage, according to the minister's testimony, to be left exclusively to the determination of the RCMP. Is that the understanding?

Mr. Allmand: Mr. Speaker, the RCMP may check their evidence with the Crown prosecutor or other prosecutor who would lay charges in the case, although they could also lay charges directly if it were very clear that charges should be laid, but this judgment would be with them and the prosecutors and not with me.

Mr. Clark (Rocky Mountain): They will deal simply with matters which might lead to criminal charges and it is only on a question which might lead to criminal charges that they would make the recommendation. This is my question. Is it only on matters relating to criminal charges that they would make a recommendation to the minister or that they would cause action to be taken in the courts? If that is so, what provision is there in the extremely limited investigation under way now for evidence to be brought forward that would allow this parliament and the country to come to conclusions as to whether or not there had been acts of impropriety on the part of ministers which did not involve a strict violation of the law?

● (1130)

Mr. Allmand: Mr. Speaker, it is true that the police are investigating matters that would give rise to charges before the courts. If no charges are made before the courts, then it will be up to parliament to proceed in another way.

Some hon. Members: Oh, oh.

Mr. Baker (Grenville-Carleton): Show us the testimony.

[Mr. Drury.]

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—REQUEST BY PROVINCIAL AUTHORITIES FOR FEDERAL INQUIRY—GOVERNMENT POSITION

Mr. G. W. Baldwin (Peace River): My question is for the Acting Prime Minister. Given the fact that the government are appearing to fob this off on the provincial authorities and forces of law, and having in mind that it now appears on record, at least the public statements I have heard made over the radio, that the provincial attorney general and other provincial authorities suggest that there should be a federal inquiry, will the government not accept that as being an adequate reason for holding this judicial inquiry?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, there seems to be some confusion about the two types of inquiries and I think it is important that they should be distinguished. The hon. member for Rocky Mountain has been talking about possible improprieties of officials or ministers. I gather that the House leader of the Progressive Conservative party is talking about an inquiry into the allegations of violence on the waterfront. In that particular case—because that is what I understand to be his question—we are awaiting information from the Ontario government about the facts—what is the evidence of violence—and if there is sufficient evidence I think there would be a case for an inquiry. But we are awaiting the facts. We do not have them and we have seen nothing as yet that would justify such a serious investigation as is proposed either under the Inquiries Act or under other legislation.

Mr. Baldwin: On the basis of that statement, given the fact that the provincial law enforcement officers will have knowledge of these allegations, will the government accept the request of the provincial authorities, in the face of the knowledge they have, as being an adequate reason for instituting a public inquiry?

Mr. Sharp: My colleague, the Minister of Justice, has put just such inquiries to the Ontario government. As yet they have not provided the evidence.

ALLEGATIONS AGAINST THE SEAFARERS' INTERNATIONAL UNION—LACK OF INDEPENDENCE OF SOLICITOR GENERAL AS JUSTIFICATION FOR INDEPENDENT INQUIRY

Mr. Bill Jarvis (Perth-Wilmot): My supplementary is for the Acting Prime Minister. Putting aside for the moment the evidence which he has or does not have which may prompt an independent inquiry, may I suggest that in view of the fact that the Solicitor General yesterday or the day before has characterized a particular member of the Ontario legislature as one who has no respect for the truth, a liar or muckraker, whatever his words were, and in view of the fact that the RCMP expressly by statute are responsible for this inquiry, is it not the government's position that the lack of independence of the Solicitor General, who is directly responsible for the RCMP, is sufficient in itself to warrant an inquiry that is independent of the Solicitor General?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I rise on a question of privilege. The hon. member just

now accused me of not being independent and he has made other insinuations against me. I ask him, as did the Minister of Labour yesterday, if he has charges against me, to lay them before the House and we will go before the Committee on Privileges and Elections.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): That is all bluster.

Mr. Turner (Ottawa-Carleton): No guts.

Mr. Speaker: Order, please. The hon. member for Perth-Wilmot has a question for the Acting Prime Minister.

Mr. Jarvis: I rise on the question of privilege raised by the Solicitor General. I made absolutely no insinuations yesterday or today. I simply said, in a question to the Acting Prime Minister, that the Solicitor General had called Mr. Shulman a muckraker, someone who has no respect for the truth. I also prefaced my question yesterday by saying if the Solicitor General had been quoted accurately. My whole purpose in putting my question was not to make insinuations about the Solicitor General but to simply say he cannot remain independent when the RCMP by statute is directly responsible to the minister and the minister, rightly or wrongly, is the subject matter of part of this interim report. How can any reasonable person expect the Solicitor General to be independent in judging a report the very nature of which is to be independent? For the Solicitor General's own sake, would it not be far better that this investigation be conducted independently of him?

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I believe that this question was addressed to me, although it got a little mixed up in the process. I have confidence in the Solicitor General, in his independence, and I do not think the fact that he has characterized certain statements made by Mr. Shulman as being lies does in any way interfere with his independence.

Some hon. Members: Oh, oh!

An hon. Member: Spurious argument.

Mr. Baker (Grenville-Carleton): The worst one you put up yet.

Mr. Eldon M. Woolliams (Calgary North): In light of the fact that the Solicitor General and the Minister of Labour asked for an investigation, and in light of the fact that the Prime Minister said they will weigh the evidence, they will decide, in light of the fact that they are the interested parties, there is a conflict of interest if they are to weigh their own evidence and act as judge and jury. I hope the minister will answer me. Does the Acting Prime Minister not see in that situation an inherent danger in not appointing an independent judicial body under the Inquiries Act, as was suggested this morning, so as to clear the air for the government, if nothing more?

Mr. Sharp: It seems to me that we are still getting confused about the inquiries that are being proposed. Two types of inquiries have been proposed: one by the hon. member for Winnipeg North Centre, another by the House leader of the Conservative party. So far as the investigation of the charges by Mr. Shulman are concerned, involving the possibility of impropriety on the part of ministers or public servants, that has been turned over to one of the most independent bodies in this country, which is the RCMP.

Mr. Woolliams: I agree with the Acting Prime Minister that the RCMP are respectable and independent.

Some hon. Members: Hear, hear!

Mr. Woolliams: But we have continually heard from the Acting Prime Minister, the Solicitor General, the Minister of Labour and any other minister who is involved in making decisions that there is no evidence now. They are weighing their own evidence resulting from their own investigation. Does the Acting Prime Minister not see some inherent danger in allowing them to weigh their own evidence and coming to a decision as would a judge and jury investigating themselves. Would he not relieve them of this responsibility and clear the situation? Surely, he can see that it is time to have an independent inquiry, as suggested by several responsible members this morning.

Mr. Sharp: The answer is in the negative. If there are any charges of impropriety against a minister, it is the House that should decide. I suggest to members opposite, if they have evidence of this kind, surely they should not depend on a member of the NDP in the Ontario legislature to prove the basis of their charges. Let them make them, and this House can have a full and complete inquiry to satisfy everyone.

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—REASON FOR SHOWING MINISTER OF LABOUR INTERIM REPORT FROM RCMP—STATEMENTS IN TORONTO "SUN"

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Solicitor General. Wednesday in the House he said that if the investigation had been into the Minister of Labour he would not have received the report. In light of the fact that RCMP sources were reported in yesterday's Toronto *Sun* to have said that the Minister of Labour was actively under investigation and in light of the fact that the *Sun* reported that Gordon McCaffrey, executive assistant to the Minister of Labour, confirmed that fact, can the minister explain why the Minister of Labour was allowed to see the report when he had said earlier that had the Minister of Labour been investigated he would not have seen the report?

● (1140)

Mr. Allmand: As soon as—

Hon. John C. Munro (Minister of Labour): Mr. Speaker, may I answer the question about the Toronto *Sun* article. I would not pretend for a moment that I would personally accept anything necessarily as authentic merely because it appears in the Toronto *Sun*, but I would say this: It should be clear to this House that I asked, when these allegations were made by Mr. Shulman, for the

Solicitor General to have the RCMP investigate those allegations. Mr. Shulman made allegations against various officials. I am not aboslutely certain at this time whether he mentioned labour officials or not. As I felt that that is what he might be implying, I wanted the names of the officials cleared, irrespective of whether they were public servants or politicians; and the Solicitor General did that. If that is to imply that I am under investigation, O.K. I want that clearly understood. But, if the hon. member is suggesting something else, I should like him to have the courage to stand up in the House and say so.

Mr. Speaker: We had arrived at the point at which the hon. member for Wellington-Grey-Dufferin-Waterloo had put a question to the Solicitor General.

Mr. Beatty: Mr. Speaker, on a further question of privilege—

Mr. Allmand: Mr. Speaker, I was asked a question about an article in the *Sun*. As soon as that article was brought to my attention—

Mr. Speaker: Order, please. There is another question of privilege before the House, on which the hon. member for Wellington-Grey-Dufferin-Waterloo wishes to make a contribution.

Mr. Beatty: Mr. Speaker, the Minister of Labour was questioning the accuracy of the *Sun's* article as to whether he was under investigation. Since the report referred to quoted the minister's executive assistant, Gordon McCaffrey, as saying that the minister was under investigation, and as my only source of information on this is that which is available to him as well, perhaps the executive assistant took the Toronto *Sun* down the garden path on this.

Mr. Speaker: Order, please. Perhaps the Solicitor General can resume his answer.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, as soon as the article in the Toronto *Sun* was brought to my attention yesterday, I called the deputy commissioner of the RCMP who is in charge of criminal investigation and asked him which RCMP officials had said that the Minister of Labour was under investigation and, if this had happened, to give me information on that. The deputy commissioner telephoned the office in Toronto and checked with every source there. He was told that a reporter from the Toronto *Sun* had spoken with one officer of the RCMP, but the RCMP officer had never told him any such thing. He was surprised and did not know the *Sun* had ever printed such an article as a result of their conversation.

Mr. Beatty: Mr. Speaker, may I ask a supplementary question, to get this clear once and for all. Will the Solicitor General state categorically that at no time has the Minister of Labour been investigated about this matter by the RCMP.

Mr. Allmand: No, Mr. Speaker. The RCMP were asked to investigate allegations made by Mr. Shulman. While investigating those allegations by Mr. Shulman, they were given a tape on which there is a conversation between the Minister of Labour and the union official offering a contribution toward election expenses. That is about it. If that is construed as an investigation into the Minister of Labour, that is a real distortion of the meaning of investigation.

[Mr. Munro (Hamilton East).]

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ENVIRONMENTAL AFFAIRS

ALLEGED ENVIRONMENTAL DAMAGE BY SYNCRUDE PROJECT—GOVERNMENT ACTION

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, in the absence of the Minister of the Environment may I direct my question to the Acting Prime Minister. In view of the conclusion of the Minister of the Environment in a letter dated October 11, 1974 and released today, in Edmonton, that the Syncrude tar sands project as now planned will very likely cause major environmental damage, what action does the government plan to ensure that the development plans of Syncrude will conform to environmental standards.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will refer that question to the minister, who will reply when she returns.

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LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—REQUEST OF LEADER OF ONTARIO LIBERAL PARTY FOR ROYAL COMMISSION INVESTIGATION—GOVERNMENT POSITION

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is directed to the Acting Prime Minister. Since the Acting Prime Minister seems to ignore all the requests of uninformed Tories on my side of the House, perhaps he might consider what the Leader of the Opposition in the Ontario provincial legislature, the leader of the provincial Liberal party, said yesterday. He said "The allegations are extremely serious, and in my opinion these can only be cleared up by a royal commission. In my opinion this should be at the federal level." Will the Acting Prime Minister take this representation into consideration and ask for an inquiry?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, so that the record remains clear, let me say that the kind of inquiry which Mr. Nixon was supporting was an inquiry into violence on the waterfront. We have not said that we will not have such an inquiry. What we have said is that we will not have an inquiry except on the basis of facts which will justify such a serious action. That remains our position. We have not yet received the evidence.

CONFLICT OF INTEREST

GOVERNMENT POSITION ON CONTRIBUTIONS TO ELECTION EXPENSES OF MINISTERS FROM COMPANIES WHOSE OPERATIONS ARE WITHIN THEIR RESPONSIBILITIES

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a supplementary question. Having sat here for two or three days and listened to what has been going on, it has become abundantly clear to me that the political morality of this government is about as deep as a dishpan full of dirty water. In view of the statement made by the Minister of Labour in this House and the statement of the Minister of National Health and Welfare broadcast by the CBC today, may I ask the Acting Prime Minister if the government has any policy with respect to cabinet ministers receiving political donations during campaigns? I mean, for example, situations in which the Minister of National Health and Welfare would receive a donation from pharmaceutical companies, or the Minister of Supply and Services would receive contributions from suppliers under contract to the federal government.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not think that the morality required of cabinet ministers is any greater than the morality required of members of this House as a whole. I think we all share the same responsibilities. We must act with integrity and refuse to be bought and never be under the influence of money or anything else. I attribute no such motives to my hon. friend. I hope he does not attribute them to any of the rest of us.

Mr. Nowlan: Mr. Speaker, I am surprised at the minister's perception of political morality and his view on political science, which is that the duties and responsibilities of a minister of the Crown are the same as those of an ordinary member of the House of Commons. Would the minister answer my question? Does the cabinet have any policy on the receipt of political contributions by ministers of the Crown who have taken oaths of office to administer departments of the Crown during an election campaign.

Mr. Sharp: Mr. Speaker, the answer is that the same standards apply to all members of parliament, as well as to candidates for this House as apply to us. After all, the hon. gentleman seemed to assume, in the last election campaign, that we would continue to be the government.

Mr. Nowlan: On a point of order, Mr. Speaker. My point is simple, I hope not too simple for the narrow confines of the gray matter of the Acting Prime Minister. Under the constitution of this country, as the Acting Prime Minister knows, the government continues and ministers of the Crown continue in their offices even when the House of Commons is dissolved, until a new government is sworn in. If the Acting Prime Minister does not know that elementary fact of political science, it is no wonder that we see this most improvident government, which has been established since the last election campaign.

Mr. Munro (Hamilton East): Mr. Speaker, I should like to clarify something right away, as a result of information I have received. I believe that the hon. member for Wellington-Grey-Dufferin-Waterloo referred to certain remarks which appeared in the Toronto *Sun*, which referred to Gordon McCaffrey. I should like to clear this up immediately. Mr. McCaffrey is not my executive assistant. He is my special assistant. To be precise about what he said to the *Sun*, he copied down his statement. This is a direct quote: "I said to the *Sun*, the minister asked for an investigation into the allegations by Morton Shulman, but the minister is not in a position to tell the RCMP whom they should investigate."

Mr. Speaker: Order, please. The hon. member for Athabasca.

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LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—ASSURANCE DECISION ON HOLDING INDEPENDENT INQUIRY NOT BIASED

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my supplementary question is addressed to the Acting Prime Minister and relates to the subject matter raised by the hon. member for Calgary North. As there is some question of impropriety involved in the investigation which the RCMP is carrying out, and as it appears that the only people who will decide whether there is evidence of impropriety to warrant a public inquiry will be the ministers themselves, will the Acting Prime Minister tell the House what steps he intends to take to convince Canadians, or at least make it appear, that an impartial decision, without bias, will be made on the basis of evidence presented by the RCMP on whether or not an inquiry should be held.

● (1150)

Mr. Speaker: Order, please. With all due respect, several times that very same question or one slightly different has been put. It seems it has been answered every time it has been put. There is a rule which states that the same question cannot be put more than once in the same question period.

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FINANCE

ALLEGED ANNOUNCEMENT ALBERTA WILL REDUCE REVENUES FROM OIL—CONSULTATION WITH FEDERAL GOVERNMENT

Mr. J.-J. Blais (Nipissing): Mr. Speaker, my question is directed to the Minister of Finance. I hope it will be an interlude in these particular deliberations. It arises out of an announcement made yesterday by the premier of Alberta in which he indicated that within two weeks measures will be announced whereby the provincial take from oil revenues will be reduced. Prior to making that announcement, did the premier of Alberta consult with the federal government?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, not with me.

Mr. Blais: A supplementary question. In view of that particular announcement, will the federal government now consider that the moment is right for the federal government to take initiatives to try to pour some oil over the troubled waters between the federal government and that province?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will certainly use the occasion of the meeting on Monday and Tuesday among provincial treasurers, provincial ministers of finance and myself to explore that. Perhaps the occasion will arise in private conversations with the Alberta minister.

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LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—POSSIBLE CONDITIONS ATTACHED TO OFFER OF CAMPAIGN FUNDS BY UNION

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Labour. During the course of his conversation with Mr. Gralewicz, were any conditions attached to the offer for campaign funds?

Hon. John C. Munro (Minister of Labour): No, Mr. Speaker.

Mr. Korchinski: Will the minister indicate the nature of his reply at that time? Can he comment on his reply at that time?

Mr. Speaker: Order, please.

Mr. Korchinski: Mr. Speaker, I rise on a point of order. I am trying to elicit certain facts. My question is within the ambit of questions that are allowed. I am trying to elicit information from the minister which I believe is fundamental to the argument that has been presented here in the past few days. I simply wish to ask the minister the nature of his comment after the contribution offer was made by Mr. Gralewicz.

Mr. Speaker: Order, please. The minister may want to reply. The hon. member asked if there were any conditions attached to the offer. The minister said no. The minister earlier indicated he had accepted the offer. The question was put, what was the nature of the minister's reply, can he comment on that? Asking a minister to comment on a situation like this is a very general type of question which does not seem to be suited to the question period.

Mr. Korchinski: Mr. Speaker, can I change my question and ask the minister to indicate what the reply was without making any comment.

Mr. Munro (Hamilton East): I accepted the offer, Mr. Speaker.

[Mr. Turner (Ottawa-Carleton).]

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST FOR FURTHER GRANTS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

Considering the continuing layoffs, particularly in the sawmills, could he say whether the expects to announce soon the provision of supplementary funds for the approval of more local initiative projects during the next season?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, no decision has been taken to supplement the funding for the Local Initiatives Program. Along with many of my colleagues, including the Minister of Industry, Trade and Commerce, we are aware of that situation. We are working together to see what can be done.

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EXTERNAL AFFAIRS

ALLEGED DISCRIMINATION BY UNESCO AGAINST ISRAEL—GOVERNMENT POSITION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, my question is directed to the Secretary of State. Is Canada reconsidering its contribution to UNESCO in view of that organization's what might be called ugly politicization and discrimination against one of its members, namely the state of Israel?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I think that question should more properly be addressed to my colleague, the Secretary of State for External Affairs.

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LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—ACTION OF SOLICITOR GENERAL IN ASCERTAINING FROM RCMP WHO SAID MINISTER OF LABOUR UNDER INVESTIGATION

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is to the Solicitor General. It arises out of the comment in reply to a question put by the hon. member for Wellington-Grey-Dufferin-Waterloo. On several occasions the Solicitor General has insisted that the RCMP will be conducting an independent investigation. In reply to the hon. member's question, the Solicitor General stated that when he learned of the report in the Toronto *Sun* in connection with comments made by the special assistant to the Minister of Labour, he telephoned the RCMP to find out the name of the officer who had made those statements. Clearly, that is not an independent investigation. Will the Solicitor General now turn this investigation over to another minister?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, it was not the statement of the special assistant that caught my attention. It was a statement in the Toronto *Sun* that a senior officer of the RCMP—

Mr. Clark (Rocky Mountain): But you interfered.

Mr. Allmand: I did not interfere. Listen to the answer for a change.

Some hon. Members: Hear, hear!

Mr. Allmand: There was a statement in the Toronto *Sun* to the effect that a senior officer of the RCMP said that the Minister of Labour was under investigation. I found that a matter on which I should advise myself in case questions were asked in the House.

Some hon. Members: Oh, oh!

Mr. Allmand: I did not direct the investigation. There is quite a difference between directing an investigation and asking the RCMP what they are doing for the purpose of giving answers in this House. If you do not know the difference, you are not very intelligent.

Some hon. Members: Hear, hear!

Mr. Allmand: In answer to the inquiry, the deputy commissioner in charge of criminal operations said he was surprised. He knew of no senior officer who said that the Minister of Labour was under investigation. He telephoned Toronto. He found that in Toronto there was an officer who had been interviewed by the Toronto *Sun*. The officer said he had told the interviewer no such thing as was printed in the Toronto *Sun*. I in no way interfered with the investigation. The RCMP are free to carry it out. However, from time to time I ask them questions in order to give answers in this House.

Mr. Andre: In his reply to the House, the Solicitor General indicated he had telephoned the deputy commissioner of the RCMP and asked for the name of the officer. Are officers of the RCMP to conclude that should interviews they might have with persons concerned with this investigation become public, they would be subject to personal attention and investigation by the Solicitor General?

Mr. Allmand: Mr. Speaker, I do not believe I said I asked for the name of the officer in Toronto.

An hon. Member: Yes, you did.

Mr. Allmand: We will look at the blues and see what I said. If I did say that under fire, I was wrong. However, I do not think I said it. What I said was I approached the deputy commissioner of criminal operations and asked whether such a statement had been made. He said he did not know but that he would check with Toronto. He said an officer there did speak to the press. I did not ask the name. By the way, even though I did not ask, he told me the name but I forget it now.

TRANSPORT

POSSIBLE ELIMINATION OF FREEZE ON FREIGHT RATES AND BRANCH LINE ABANDONMENT—GOVERNMENT ACTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I will switch topics and direct my question to the very knowledgeable Minister of Transport. In view of the fact the freeze on freight rates and the moratorium on rail line abandonment will cease at the end of this year, is consideration being given to continuing that freeze and not going ahead with abandoning rail lines on the prairies?

● (1200)

Hon. Jean Marchand (Minister of Transport): First, I must confess I am insulted to be one of the very few members, if not the only member, in the House who did not receive contributions from the labour unions.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): I made an announcement on the freeze. It was an announcement following a cabinet meeting. This, I think, is going to end at the end of December. I do not think this will have the impact which is suggested. As far as branch lines are concerned, we thought we could reach a decision this week but it will take another week before we can make a statement.

Mr. Nystrom: I might say the minister probably did not receive any contributions from unions because he deserted them years ago.

In view of the fact that the hon. gentleman has often criticized the railroads in this country for controlling too much of the economy, why is he not extending the freeze on freight rates when the freeze should clearly be extended having regard to the lack of a transportation policy?

Mr. Marchand (Langelier): I do not know whether the hon. member was here when this question was asked last week. The freeze covers only 22 per cent of the income of the railways. It does not cover, say, the transportation of coal or grain or a great many other products carried at agreed rates. It covers only certain categories of merchandise which do not affect the west at all. The impact on the cost of living will not be great. As I have said before, we intend to continue the review we began with western ministers hoping we can arrive at a better policy in the future. If ever we introduce some kind of freeze it will be more comprehensive and will have a better impact on the economy.

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TRADE

GOVERNMENT POSITION ON EXPORT OF ENRICHED URANIUM—SUGGESTED PUBLICATION OF COST OF RESOURCE DEVELOPMENT PROJECTS IN NEXT TEN YEARS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce: In view of the fact that the export of uranium comes within federal responsibility and in view of the statement by the Minister of Energy,

Mines and Resources on September 5 of this year that the government's first priority must be to ensure a long term reserve of nuclear fuel for our domestic needs, can the minister tell us what is the position of the federal government in the on-going discussions for the establishment of an enriched uranium project in the James Bay area for export purposes, a project which would utilize 18,000 tons of uranium oxide annually although Canada's production is presently only 5,000 tons and is estimated by the minister to reach only 16,000 tons by 1980?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): The government has taken no decision to issue export permits for enriched uranium.

Miss MacDonald (Kingston and the Islands): May I direct a supplementary question to the Acting Prime Minister? Given that capital expenditures of at least $100 billion over the next ten years would be necessary to build all the major resource development projects under active consideration by private and government bodies at the present time, will the Acting Prime Minister undertake to make public the report of the task force on capital requirements recently completed by the Department of Energy, Mines and Resources so that the total economic impact of these massive expenditures proposed could be given adequate public scrutiny?

Hon. Mitchell Sharp (Acting Prime Minister): I find myself in general agreement with the hon. lady; it is desirable that the public should know the implications of the enormous developments which will have to take place. I am a little uncertain as to whether that particular report should be revealed; it may contain information of another character which it would not be in the public interest to disclose. However, I will certainly recommend to my colleagues that the kind of information for which she has asked should be made available publicly.

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AIR CANADA

REASON FOR DELAY IN APPROVAL OF CAPITAL BUDGET

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Transport. Can the minister advise the House why it is that the capital budget of Air Canada for the current year has not so far been approved by cabinet, and when does he expect it will be?

Hon. Jean Marchand (Minister of Transport): I hope it will be approved soon. It is a very pertinent question, no doubt about that. It is because we asked for some information from Air Canada that we did not receive. Now, I think we have convinced the chairman and directors of Air Canada that they will have to supply this information so that we may know where Air Canada is going in the next five years.

[Miss MacDonald (Kingston and the Islands).]

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND EXCISE ACT

Hon. John N. Turner (Minister of Finance) moved that Bill C-40, to amend the Excise Tax Act and the Excise Act, be read the second time and referred to committee of the whole.

He said: Mr. Speaker, this bill provides for a number of significant amendments to the Excise Tax Act and the Excise Act. The proposed changes would implement important dimensions of the government's policies to deal with the two major problems confronting most western economies—inflation and slower growth.

The bill before us provides for sales tax reductions amounting to an estimated $940 million in a full year. These reductions will provide an important stimulus to the housing and general construction industries as well as to the transportation sector of the economy. The effects of these measures, combined with other policies proposed in the budget, will directly benefit consumers through their impact in moderating prices and encouraging the creation of new jobs. In addition, the bill provides for important new taxes on high energy consuming vehicles as well as for moderate increases in the levies on liquor, wine and tobacco products. I will have more to say about these measures during the committee stage. At this time I would like to restrict my comments to the general substance of the bill.

The amendments related to adult clothing and footwear proposed in the measure before us will formalize sales tax reductions for these goods provided under the Financial Administration Act on July 16, 1974. These are important measures affecting over $5 billion in annual retail sales of clothing and footwear. They will save consumers over $300 million in taxes over a full year. In the May 6 budget it was emphasized that adult clothing and footwear accounted for a significant proportion of the budgets of most families and that the proposed action would significantly reduce the prices of these products.

The Department of Consumer and Corporate Affairs has been monitoring prices in this area since action was taken to remove the tax on July 16, 1974. The final report of the price-monitoring exercise will be tabled early in the New Year. However, preliminary indications suggest that the reductions are being passed on and have had a significant impact on moderating price increases in this important sector of the economy.

[*Translation*]

Dealing with the provisions of this bill concerning housing, the tax exemption on building materials and municipal water distribution systems as well as the reduction to 5 per cent of the federal sales tax on a wide variety of equipment and materials used in housing construction should act as an important incentive to housing construction and the building industry as a whole.

In that respect, some questions have been raised concerning the particular impact of government housing policies on housing costs. The government has put forward in the budget speech a number of policies directly relating to

the housing industry. Such provisions include the $500 grant to those who purchase middle priced houses, the Registered Home Ownership Savings Plan, the new provisions concerning capital cost allowances, the proposal to disallow charging carrying costs on land awaiting development against other income as well as the sales tax reductions that amount to over half a million dollars as provided in the present bill.

Although the financial incidence of those measures on housing costs cannot possibly be figured out, I am assured that those reductions will stimulate new investments and create forces on the competition market which will benefit home purchasers through a significant moderation of prices for housing. The building materials sales tax reduction for one should account for about $650 in savings on the cost of houses currently priced at about $40,000.

My colleague the Minister of State for Urban Affairs (Mr. Danson) will review the incidence of those measures on housing construction and report to the House in due course.

● (1210)

[*English*]

Turning to the proposals to remove federal sales tax from a comprehensive list of transportation equipment, the budget speech pointed out that cost pressures in the transportation industry were significantly undermining the vitality of that industry and that these cost pressures were being translated into price increases affecting virtually every other sector of the economy. The transportation measures proposed in this bill will affect approximately $1 billion in annual sales and will result in a reduction of an estimated $100 million in federal revenues over a full year. I am confident that the reductions will be reflected in increased investment in this industry as well as in a moderation of transportation costs.

Members will be aware of my intention, announced a few days ago on December 2, 1974, to request the government to provide relief for tax paid inventories of trucks and related transportation equipment. This action was necessary because of a combination of critical factors affecting the trucking industry and related transportation industries. Dealers were unable to sell tax-paid inventories because the sales tax already paid on larger trucks and other equipment often amounted to several thousands of dollars per unit. In addition, customers were refusing to accept shipment of many highly specialized custom built items which had been ordered but not delivered as of budget day. Many customers were prepared to wait for tax-free goods to become available or to transfer orders to dealers who already had tax-free inventories on hand.

It must be emphasized that the proposed action constitutes a marked departure from traditional practice. However, the combination and intensity of adverse circumstances affecting the transportation industry made immediate action necessary in order to avoid extreme hardship and a serious disruption of production and employment. Indeed, certain businesses risked the very health of themselves and the industry.

The bill also contains important amendments related to the air transportation tax. The bill proposes that the governor in council be given authority to impose a ceiling on the 5 per cent ad valorem tax. It is proposed that this ceiling will initially be set at $5. This will benefit all persons who travel long distances by air. In particular, this ceiling will assist persons living in the north and in other remote parts of Canada. My colleague, the Minister of Transport (Mr. Marchand), or I will have more to say about these changes during the committee stage of the bill.

The bill also contains measures to deter wasteful energy consumption by imposing special excise taxes on high energy consuming vehicles. These measures, first referred to in the May 6 budget, have been modified to increase the effectiveness of the tax by providing for significant rate increases. For cars weighing more than 4,500 pounds and station wagons weighing over 5,100 pounds, the rate will be $20 for the first 100 pounds over the limit, $25 on the next 100 pounds and $30 for each subsequent 100 pounds. For motorcycles with big engines, the rate will be 5 per cent. The rate for privately owned aircraft, boat motors larger than 20 horsepower, and boats designed to be propelled by these motors, will be 10 per cent. These new taxes will increase federal revenues by an estimated $30 million in a full year.

As mentioned earlier, the bill also contains proposals to increase moderately federal levies on liquor, wine and tobacco products. These measures were first proposed in the May 6 budget and at the time the budget was defeated I stated that it was the government's intention to reintroduce these measures if the government were returned. These amendments will generate an additional $130 million in federal revenues in a full year.

The bill also contains important new sales tax exemptions for a number of articles purchased by handicapped persons. In addition, the provisions in the Excise Tax Act which permit certified institutions to purchase all goods exempt from federal sales tax have been broadened to include purchases made by day-care centres, physiotherapy units and other institutions.

In conclusion, the budget emphasized that through the taxation system and in other ways the government was encouraging the private sector to maintain a healthy level of activity for the present, and to build new capacity to increase the supply of goods and services for the future. And all this by reducing the cost factors, of which sales tax is an important component. The measures proposed in this bill, in particular those related to the housing industry and the transportation industry, constitute important steps in this direction.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, for a number of reasons I am very pleased that we are able to get to this bill today, contrary to the government's stated intention in the middle of the week to postpone the budget bills to some time in January or February. I think that the determination of certain points in the bill following this debate—and I hope that today we can see the completion of our study and passage of the bill—will settle a lot of unresolved questions for business in this country. There are a number of points that I should like to put to the minister generally on second reading; more specific questions will be put by my colleagues and, I suspect, by members on all sides of the House to the minister and his advisers on matters of detail that have still to be resolved.

Excise

There is one matter that has consistently disappointed me in connection with excise taxes and the Excise Act. The minister's predecessor, the now departed Mr. Benson, and also the hon. member for Windsor West (Mr. Gray), who was formerly minister of national revenue and subsequently minister of consumer and corporate affairs, indicated that a study in depth would be made of all excise taxes. We had a study in depth of income tax by the Carter commission, which had a great number of things to say about sales taxes as well as the confusing situation arising out of federal and provincial jurisdictions and how the taxpayer was affected by such taxes. But ever since then there has been a deathly silence on the subject.

However, the problem of the impact of sales taxes, whether at the federal level or at the provincial level, still exists. To the person of low income they are certainly a heavy burden. Although taxes levied on an ad valorem basis strike at taxpayers evenly as to amount, as to impact this is not the case. In the province of Ontario a rebate is given income tax payers so that those of lower income are given some form of compensation for the impact of sales taxes both at the retail and federal level. This is part of the Ontario tax credits plan. This is one of the reasons that there is this form of compensation.

We have studied in the past tax credits for persons on lower income scales, rather than the elimination of taxable trusts, so as to compensate them for the impact of sales taxes. True enough, with the removal now of sales tax on clothing and footwear one can say that the impact of sales taxes on, say, senior citizens whose income is limited to pensions will be much lighter since they will not have to pay sales tax on those items, at least at the federal level.

● (1220)

I always felt this was one of the inequitable features of an excise tax. We are seeing these removed more and more. Excise taxes in this country have reached the level of 12 per cent and that is very high. There is a great difference between non-taxable items and taxable items in particular categories. I suppose the reduction to a 5 per cent tax on building materials will remove some of the difficulties that arose from the arbitrary nature of the classification of building materials because some were caught and others were not. With the 12 per cent on the one hand, and no tax on the other, it makes quite a difference. I would like the minister to tell us whether it is now the view of the Department of Finance and the Department of National Revenue that they should continue the study into the effect of sales tax and the general reforms that are required. Up to this moment we have not seen any reform of sales taxes but we have seen the removal of some.

We are now coming into a new era of transportation tax which in itself will cause a lot of grief to a lot of people who heretofore have had nothing to do with the collection and remission of sales tax. The travel agencies and airlines that sell tickets are going to step into a buzz-saw of which they have had no prior knowledge. There will be some extreme difficulties in this area and I shall refer in some detail to air transportation taxation and the general principle, as will some of my colleagues. Let me emphasize at the outset that the main burden of my point is that we should have a study without delay on the impact of sales taxes. If one accepts the principle of justice in a progressive income tax system which is purportedly established on the basis of ability to pay, then in so far as excise taxes are concerned there is a total denial of justice because they are certainly not based on ability to pay.

One now has to pay excise tax generally, outside of footwear and clothing. Excise tax is certainly payable on the purchase of a chair, and whether that chair is bought by an old age pensioner or a person with an income of $40,000 or $50,000 a year matters little. Certainly, one must recognize that excise tax is not predicated upon ability to pay. Some will argue that people with more money will buy the more expensive goods, but that is not the point. I would like to see some form of social justice within the whole framework of excise tax because in this way we would require fewer relieving features and there would be fewer complications for persons on lower incomes. The minister did indicate that it might cost some $300 million to drop the sales tax on clothing and footwear.

Having looked at the latest information from the Dominion Bureau of Statistics, the 1973 Canada Year Book and the 1973-74 Analysis of National Financing from the Canadian Tax Foundation, I must confess that the only reliable information is in respect of the fiscal year 1970-71. I am afraid that is a little out of date for the purposes of the remarks I should like to make at this time. The budgetary statistics tabled during the budget speech by the minister lump together sales taxes and other taxes and it is impossible to sort out precise excise taxes or sales taxes as we know them. I would like the minister to indicate what the annual yield is and what it was for 1971-72, 1972-73 and 1973-74, although I can understand that we cannot get anything for this particular year and that in respect of 1973-74 there is a complication because of the export tax on oil.

My objective is to determine what the progressive yield has been from excise or sales taxes on goods and commodities as we have known those taxes over the years. We want to see the effect of inflation upon this type of tax. I know that this will require some intensive effort, but it is something we would like to know about in respect of the general theory of federal sales tax. If the minister cannot provide that information today, perhaps he can do so at a later time as we would certainly like to have it.

I am sure the country welcomed the minister's announcement of a reduction in the tax on building materials to 5 per cent with a headshake and a smile, not necessarily all of joy. I wonder why this reduction was limited to 6 per cent rather than applied to the entire amount. I do not think that was necessarily related to cost but, as I have said, at the moment I do not know what the sales tax on building materials has yielded. It may have been in the nature of $500 million or $600 million. With the inflated prices we have known in the past couple of years, the yield might have been that high. I know it has been fairly substantial. On the other hand, when we consider the swollen coffers that have resulted from inflation, there is no question that a total abatement of this tax could have been made. There would have been much greater benefit, if this reduction was designed as an anti-inflationary item, an anti-recessionary item or an item to encourage the construction of homes in the hope that there would be a

reduction in price—perhaps to a limited degree—if the sales tax had been removed entirely, rather than reducing it to 5 per cent.

One of the greatest costs of the building materials merchant is the cost of administration involved in collecting the sales tax. If business generally could be relieved of the cost of tax collecting, whether it be the small country town lumber yard or the large discount operation on the outskirts of major cities in Canada, it would be of great benefit because this additional cost represents a large portion of the profit margin of the dealer in building materials. Of course, we must not forget that he will not take it out of his profits; it will go right to the consumer.

● (1230)

The consumer is always at the end of the line. The consumer pays every charge whether it be an increase in taxes, an increase in returns for government, an increase in unemployment insurance contributions or an increase in minimum wages. No matter what it is, John Citizen, the consumer at the end of the line, pays. I am amazed, at times, at some of the naivety that comes out of the mouths of certain people, or out of the pens of others, demanding that this or that be done or that this or that cost be saddled on to business, to the cost of commodities. It may be somewhat indefinite, but one thing that is not indefinite is the cost: it goes right on the back of the Canadian citizen generally, as a consumer.

Over the years this whole process has been one of the greatest exercises in self-delusion, in dissipation, unproductive labour and unproductive expenditure. This is part and parcel of the overgoverning that Canadians suffer not only at the federal level but at the provincial level because of the way some of the provinces behave. I cannot differentiate between the federal government and the provinces.

Mr. Turner (Ottawa-Carleton): Like Edmonton.

Mr. Lambert (Edmonton West): There are some parts there that I could criticize. I do not believe the government of my home province is necessarily a paragon of virtue in its administration. I must say it inherited an awful structure, and everything cannot be changed overnight. In any event, I would say that on general principle my remarks should be remembered. That is the reason I would like to have seen the total removal of the sales tax on building materials. Certainly it has been shown to be a regressive step ever since it was introduced or extended primarily in 1963. It was then at a level where about one-third of the building materials bore sales tax liability, but the real impact came in 1963.

Now I come to the air transportation tax. This was the subject of a budget some three or four years ago. I remember at that time I moved an amendment which would have changed the impact of the tax and would not have disturbed ways and means. I will always remain unrepentant, unforgiving and unchanged in my opinion concerning the correctness of my motion. A citation from Erskine May was quoted against me in the ruling, but one must never take as absolute gospel what is written in any book. In this particular case, a little research into the references in Erskine May showed that the editors of that book had erred and exactly the opposite had been the situation regarding two decisions taken by chairmen of committees in the British House of Commons during the time of World War I. This was the authority on which Mr. Speaker of the day based his decision that my motion was out of order. May I say, however, that I am satisfied it was in order.

At this time I do not intend to move for a change because, in effect, the minister has now come to the formula for which I was asking at that time although I must say the impost is slightly higher. Presumably he has been influenced by inflation and has almost doubled the impost I had in mind at the time of the previous presentation. There were two difficult points involved, but the Minister of Transport (Mr. Marchand) has since cleared one up. I refer to the implication that the tax would apply to tickets sold at Canadian travel agencies for travel exclusively outside Canada. That point has been cleared up.

One point, however, has not been cleared up, and I would invite the Minister of Finance (Mr. Turner) and the Minister of Transport to look at it under the regulatory powers. This tax is all-encompassing. It covers all carriage by air for reward. Under the previous proposal, air transportation below a minimum weight—in other words, what you would call the puddle-jumpers in the north, the two or four-seater aircraft in an area where people are completely dependent upon air transportation—was to be exempt. People in the frontier communities of the north who were most hard hit were being hit every time they wanted to move. It was proposed to exempt them from the effect of the air transportation tax.

Unless I am very wrong, the interpretation of the proposal at this time catches everybody: it would catch the person flying from Yellowknife to Fort Simpson, from Simpson to Norman Wells or anywhere down the Mackenzie, or anyone going to Frobisher or any of the northern communities. The reference is to all air carriers or commercial air services.

Mr. Baker (Grenville-Carleton): What about Ottawa to Carp?

Mr. Lambert (Edmonton West): My hon. friend asks, what about a little flight from Ottawa to Carp?

There would be a tax on that type of transport whether it involved a two-seater Cessna or an eight-seater plane that could use the Carp airport, unless exempted.

An hon. Member: Are you sure there is an airport there?

Mr. Lambert (Edmonton West): I should like the minister to tell us what justification he will offer to these people for the heavy impact on this tax. Then I will ask him whether it will apply in the case of aircraft operated by mining and oil companies, as well as others, for the transportation of their employees in the case of a subsidiary company organized for transportation purposes and where the actual charge for the transportation is fixed on the basis of the amortization of the unpaid balance and depreciation schedules in respect of the aircraft.

● (1240)

This is a very simple and regularly used procedure. But will there be a tax payable? There is no ticket issue, but the air carrier is authorized by the Canadian Transport Commission to operate as an air carrier or as a commercial air service. I suggest that the privately-owned subsidiary company of which I have spoken has been licensed and authorized as an air carrier and will therefore be caught by this transportation tax.

I notice, also, that the collection will be made at the retail level and there must be monthly remittances to the Crown as in the case of all other taxes. These will add substantially to the costs of operating travel agencies and others handling the tickets. Who will pay the tax collector? The consumer, of course. On the one hand the government is giving encouragement to transportation, and on the other it is giving it a kick in the teeth. We could use all sorts of metaphors. We remove the sales tax from commercial aircraft, but we also impose a tax to satisfy some of the demands of the Department of Transport.

This tax is to be used even at airports not operated by the Department of Transport, and here is the switch in the thinking of that department, because when this tax was proposed initially it was to alleviate the losses and costs of operating MOT-operated airports. I say "nonsense," Mr. Speaker. This tax will apply in many instances when an MOT airport is not used but, rather, municipal airports which get nothing from MOT. All that is happening is that the Minister of Transport, through the Minister of Finance, is asking residents flying in Canada to pay a tax because he is going to splice some air space on the way through.

The government must come clean in this regard in that the tax, as I say, was proposed in order to alleviate the costs of operating MOT airports, and no more. I have letters that say it will now be used to defray most departmental expenses with regard to air. Unfortunately, the Minister of Finance does not write letters to his colleagues but I have letters from the Minister of Transport indicating the purposes and how this tax will be used. In so far as the frontiers are concerned, that is where the impact of the tax is even more unjustifiable. I do not mind paying a user tax for Toronto international, Montreal international and, to a lesser degree, here in Ottawa, because this is more of a cattle station than are the others, as well as some other airports across the country. But when I see the facilities that the people in the frontier areas have to put up with, and know this is their only means of communication, I think the tax could be an absolute injustice.

I hope to hear the hon. member for Northwest Territories (Mr. Firth) say what he thinks about this tax. I do not think it will be printable, even though he is a mild sort of man, because for people in the Yukon, the Northwest Territories, northern Quebec and many frontier areas of Canada this tax should be known as "sock it to them" because it imposes a substantial increase in the cost of their essential transportation. I hope the minister can see his way clear to exempt the frontier areas from this tax.

One area in which I had hoped to see the minister move was a change in the definition of "small manufacturer" so as to raise the value of goods manufactured to be in excess of $3,000. Unless my memory serves me incorrectly, the $3,000 limitation still exists for the exemption certificate of the small manufacturer. Of course, today he cannot turn around in a shop and produce less than $3,000 worth of goods. I do not see that there is any encouragement here. I do not see why the minister did not increase that sum to $5,000 or $6,000 is he really wants to assist small business to develop.

I was very pleased to see the minister act promptly on a good precedent with regard to the removal of the sales tax on heavy trucks and transportation equipment that is in inventory, but when he says "in inventory", is he also including "in transit"—vehicles discharged by the manufacturer and in transit on November 18? I do not know how much that would represent, but in many instances it might be something to consider. I say that because I am looking in particular at the distributor or dealer who is independent of the manufacturer. We know that some manufacturers of heavy trucks and transportation equipment have their own agencies with the employees of the parent company. I can cite some, if need be. There has been no passing of title and, in fact, no sales tax paid on inventory because there has not been a disposition of the vehicle, and the time limit within which the tax is paid after completion of production of the item has not elapsed.

However, on the other hand, with the majority of manufacturers' title in the commodity having passed to a financing company or maybe a related company, either a transport company or a dealer, the sales tax is levied on the unit in question as at the time of transfer of title. Naturally, this created some difficulties as between the type of dealership and I was very pleased to see the minister make this change. However, I hope that in his answer to us he will indicate the procedure that will be followed. Are the applications for rebate to be made through the manufacturer, as they were in 1961 in the case of the automobile rebate on inventories of the special excise tax that was then remitted? This may be the safest procedure to avoid the necessity of dealing with umpteen thousand dealers.

● (1250)

I have mentioned those matters which I felt I should draw to the attention of the House. We will consider other items in detail; my colleagues wish to make their contributions on particular points. I hope that we can consider the clauses of the bill this afternoon and, hopefully, pass the bill by four o'clock.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I am pleased to see that the minister, under Bill C-40, is to increase the tax on hard liquor and wine but not increase the tax on beer, the champagne of the working class. That is one of the progressive features of the bill and I am glad the minister has recognized a basic fact in our society. The bill will introduce a whole series of changes and create new taxes. There are to be amendments to the Excise Tax Act and to the Excise Act. In addition to increasing the tax on hard liquor, the government is to increase the tax on cigarettes, cigars, and certain items used for transportation.

The point made initially by the hon. member for Edmonton West (Mr. Lambert) was a good one, namely, that we should consider looking at the impact of taxes on our

society and determine the effect of various taxes. Our income tax system is now among the most progressive in the world. It takes into account the needs of invididuals. We should do the same sort of thing with other taxes. For example, we have not yet looked closely at the effects of the excise tax and sales tax, the latter being imposed at the federal and provincial levels, or at the effects of the property tax which is imposed at the municipal level. It is our duty, as parliamentarians, to consider the effects of such taxes, many of which are regressive.

The sales tax, applied uniformly to every person in society, bears much more harshly on those at the low end of the income scale than it does on those higher up the income scale. I support wholeheartedly the call by the hon. member for Edmonton West for a serious study on the impact of sales taxes and excise taxes in this country. This ought to be done during the present session of parliament.

My party can support most of the measures proposed under this bill, although we question two or three items which can be dealt with in committee of the whole. I shall raise one or two questions now to which the minister perhaps will respond if he participates in the debate this afternoon. I refer particularly to the removal of sales tax from clothing and footwear and the removal of excise tax from other commodities which affect consumers. Too often in the past when such taxes have been removed, the consumer has not been given the benefit; the middleman has pocketed the extra money. If we remove the sales tax in order to help people fight inflation, it is incumbent on us to set up a monetary agency which will make sure that sales tax reductions are passed on to the consumer and not pocketed by the middlemen—advertisers, wholesalers, retailers or others in the chain.

We should also monitor closely building material sales to make sure that the tax reduction is passed on to the consumer. My party has always been in favour of refunding the money collected as a tax on building materials to those who are going to build homes, particularly those in the lower and middle income brackets. We are afraid that once the sales tax on building materials is reduced to 5 per cent, hundreds of millions of dollars which should be passed on to consumers will be siphoned off by people in the building industry—contractors, painters, real estate people, and so on, right down the line. This would not happen if the money collected were rebated to those building a home. Why did the minister not consider this, because I suggest that what we propose will be much easier to administer?

Reducing the sales tax to 5 per cent right across the board could be regressive. For example, the person building a home worth $30,000 or $35,000 will not benefit to nearly the same extent as the person building a home worth, say, $100,000. On the surface, both will benefit to the same extent by the reduction to 5 per cent.

Mr. Turner (Ottawa-Carleton): You cannot have a sales tax which is regressive and make it progressive when you lower the rate.

Mr. Nystrom: Mr. Speaker, that is why we suggest the tax credit approach. Perhaps it would be better to pay a lump sum to every home builder as a tax credit. Such credit might be worth, say, $500 to everybody. At least that approach would be equitable. The greatest benefit would not go to those who build the most expensive houses; it would go to those who build average houses or houses which do not cost too much. I raise these matters as they concern me. Perhaps the minister will respond later in the debate.

The extra tax to be imposed on vehicles with powerful engines is a step in the right direction as such engines consume large quantities of energy. I am happy to see exemptions made in favour of farm tractors. My only concern is the limit on the size of boat engines. I think 20 horsepower is the limit on boat engines, above which extra tax must be paid. I suggest that a 20-horsepower boat engine is not very large; I do not think an engine so small consumes very much energy.

May I call it one o'clock and continue later?

Mr. Deputy Speaker: Order, please. It being one o'clock, I do now leave the chair until two o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Nystrom: Madam Speaker, before the lunch hour I was saying that one section of the bill before us implements a tax on high energy consuming engines and motors. I had made the point that it applies to boats with an engine of 20-horsepower. There is another point I want to mention at this time. Unfortunately, the minister is not here although his parliamentary secretary is in the chamber. I refer to clause 21, page 10. Section 10 refers to motorcycle engines to which the tax will apply. It provides that motorcycles with an engine displacement of greater than 250 cubic centimeters will be subject to a tax of 5 per cent. A motorcycle with a 250 c.c. engine is one of small or intermediate size. The tax should not apply to an engine of this size: it is not high energy consuming. If we are to try to save energy, which is the purpose of this tax measure, we should apply the tax to engines of much greater size.

In today's society, people who live in the suburbs travel to and from the city to work in a car that weighs several tons. More people are using motorbikes or motorcycles of one sort or another. If you put a tax on a motorcycle with an engine as small as 250 cubic centimeters, you defeat the whole purpose and philosophy of putting a tax on high energy consuming engines. This tax should be lifted from 250 c.c. engines and applied to those in the range of 600 or 750 cubic centimeters. I hope that when the minister returns to the chamber he will consider the possibility of an amendment with regard to motorcycles.

I wish to stress another point. Motorcycles are often not used for pleasure. People use them to go to and from work, to the corner grocery store, and so on. They are not used as much for pleasure as are boats. I have argued that the limit is too low for boats and my argument is even stronger with regard to motorcycles. After all, we are not dealing with a huge engine that consumes a lot of energy.

There are two further points in this bill with which I wish to deal. The first is the point touched on by the hon. member for Edmonton West, namely, the airport tax which applies to all airplanes. This is unfair. In the Northwest Territories, the Yukon or northern Saskatchewan there are no roads: it is not like in the south where people can travel by car, truck, bus or rail. They must use aircraft. Fuel costs in the north are already excessive because it is necessary to fly in the fuel. An additional tax on aircraft will discriminate against the people of the north. The minister should consider amending this provision when we get to clause by clause study of the bill. There is one other point I wish the minister to take note of with regard to aircraft. Section 12 of clause 21 provides:

> Aircraft but not including gliders or aircraft purchased or imported for use exclusively in the provision of such class or classes of air services as the governor in council may by regulation prescribe . . .

They would be subject to excise tax. Of course, it is left open under the regulations that are prescribed by the governor in council; in other words, the minister. If a person purchases an aircraft of more than a certain size, should it be other than a standard commercial or passenger aircraft the aircraft may be subject to extra tax. Again, there are people in northern Canada who use aircraft for personal reasons in the same way as we use cars, and if the section imposed an extra tax on these people I think it would be discriminatory.

● (1410)

I also ask whether the new tax would apply to motorized toboggans used in the north for hunting and trapping? Most of the measures here are measures which I believe all hon. members will support. I should like the minister to undertake a study of the impact of sales taxes to determine whether they are regressive, as I think they are. I think the object should be to distribute our wealth in order to create a more egalitarian society: we have the wealth to do it, and I think it would be a moral crime if we did not.

Hon. Herb Gray (Windsor West): Madam Speaker, I would like to make some comments about this bill, the purpose of which is to implement the changes in sales tax proposed in the November 18 budget. The bill proposes that the sales tax on construction materials be reduced to 5 per cent. This reduction is not just for materials used for residential construction but for all construction. Yet the budget statement indicated that the primary aim of the proposal is to stimulate residential construction and to help moderate the price of housing. One could ask, therefore, why the approach could not have been to focus the impact of this cut more on residential construction, particularly for moderately priced housing.

One approach that could have been used would have involved an extension of the provisions the present tax law uses to grant relief from sales tax if the goods are to be used for certain purposes; in other words, an extension of the end-use provisions of the present law. This might well have been complex administratively. But there is another approach that could have been used if the principal objective was to reduce or eliminate that part of the cost element in the price of housing created by the sales tax. It would have involved sizably increasing the new grants that are to be given to first-time purchasers of new, moderately priced homes. This would have put the benefit of the tax reduction directly into the hands of consumers. These grants could have been increased from $500 to some greater amount, with the program being further modified by making purchasers eligible for it even if the new home they were purchasing was not their first home and by widening the price ranges of eligible housing.

After all, when this $500 grant program was first announced during the election, it was put forward as being for the purpose of compensating the home buyer for the approximate amount of sales tax on the price of his home. The use of this latter approach would also have meant that the reduction of sales tax would not be available for luxury homes, apartments and office buildings, as will now be the case. In addition, it would have meant that there would be no question, as there now is, as to whether the reduction will ever actually benefit the consumer.

Of course, if you look at the proposal to cut the sales tax to 5 per cent as a means of generally encouraging the total construction sector of the economy and providing a basis for holding prices down throughout this sector, there is a strong argument for this kind of across the board reduction. But this still leaves the valid and very important question of whether the benefit of this reduction will in fact be passed on to the consumer either through lower prices or, at the very least, through the absorption of increased costs, or whether it will not, instead, be pocketed by others in the form of higher profits.

The Minister of Finance (Mr. Turner) said he has asked the Minister of State for Urban Affairs (Mr. Danson) to monitor the sales tax cut to see that it is actually passed on to consumers. I think we need some further reassurance as to the capacity of that minister's department—which is, after all, a very small one—and that of Central Mortgage and Housing Corporation to carry out this task. We also need information as to exactly how it will be carried out. Will the monitoring cover the whole of the construction industry, or only residential construction? Whatever expertise Central Mortgage and Housing Corporation has is likely to be concentrated in the residential area. But the monitoring should cover the entire construction area of the economy to which the new sales tax reduction is applicable.

The monitoring of sales tax and tariff cuts to attempt to determine the actual effect they have is a new kind of federal government activity. It was carried out for the first time by the Department of Consumer and Corporate Affairs on the effects of the tariff and sales tax cuts announced in the budget of February, 1973. The same department is carrying on another monitoring exercise at the present time on the effects of the elimination of sales tax on clothing and footwear, first announced in the May 6 budget. But as I have said, these programs are a new kind of federal government activity. Obviously, they are still of a somewhat experimental nature. As a result, consumers could well be given unrealistic expectations as to what this monitoring means and what it can actually do for them.

For example, the Minister of Consumer and Corporate Affairs (Mr. Ouellet) announced that with regard to the current monitoring program on the effects of the elimina-

tion of sales tax on clothing and shoes, the names of any firms which have not passed on the benefit of the cuts to consumers would be disclosed to the public. However, what he failed to make clear at the time was that the department was going to monitor only some 120 firms which had already been informed they would be surveyed for this purpose. This means that the only "culprits" whose names the department would be in a position to reveal would be those found, if any, among this limited sample of 120 companies. A look at a sample of this size, if it is representative in terms of geography, various levels of trade and size of firms can, when checked against general statistics data, provide useful information of a kind the government never had before as to the actual effects of sales tax cuts on prices. But it could hardly be a way of helping keep the thousands of firms who are not in the sample, and who are therefore not being monitored, in line for the purpose of ensuring that they pass on the benefit of the sales tax reductions to consumers.

I think therefore, that the Minister of State for Urban Affairs should state as soon as possible exactly what is going to be done in a realistic way to monitor the cuts in sales tax on building including the names of firms to be checked for monitoring purposes materials, and what kind of information this monitoring will actually provide. The Minister of Finance should also be prepared to state what the government will do if it finds the benefits of these and other sales tax cuts are not in fact passed on to the consumer.

● (1420)

The Minister of Finance has also confirmed the removal of sales tax on construction equipment and on vehicles used for mass transportation. He has not yet announced who will monitor the effect of these cuts, but they involve sizeable amounts of government revenue and they should also be covered by a monitoring program. It appears that the government intends to rely mainly on competitive pressures to make certain that the benefits of all the new sales tax reductions are in fact passed on to the consumers. Therefore, it is essential that we have the legislative means of ensuring that these competitive pressures are working fully and effectively in the Canadian economy. This underscores the necessity of putting into law as quickly as possible both stages of a reformed and updated competition policy.

Also, the reduction of sales tax on building materials should remind us that when the legislation covering reform of the personal and corporate income tax became law two years ago, it was stated that the next stage of tax reform would deal with federal sales and excise taxes. Nothing has been heard about the status of that review since then, and I suggest it is time we had a report on what is happening with it. The fact is, however, that a major change was made, on what is essentially an ad hoc basis, in our sales tax system in the current budget. This is a strong argument for the completion of this review and the publication by the government of proposals for public discussion of the reform of our entire federal sales tax system at an early date.

It was announced on budget night that the reduction of sales tax on building materials would be in force immediately the following day, November 19. However, it should be realized that the effect of this reduction of sales tax cannot be immediate with respect to all building materials across the board. This would, of course, lessen the degree of short-run impact the tax cut could have on the economy. The federal sales tax is imposed at the manufacturer's level. At the time the federal tax was announced, dealers already had on hand varying amounts of inventory, depending on the kind of material, on which tax had already been paid.

As is customary, neither the budget statement nor this bill make any provision for remission of sales tax which had already been paid. I am told that, depending on the kind of material, it could be up to four months before all this tax paid inventory could be disposed of through sale in the marketplace. For example, such tax paid inventories would be minimal or non-existent for products like concrete blocks or liquid cement for which there is a close relationship between manufacturing and ongoing demand and which go directly from manufacturer to user.

However, these inventories could be quite large for other materials like lumber and builders' hardware. I am told that most lumber yards turn over their inventories only four times a year. Therefore, it could be up to three months before the effect of the sales tax reduction could show up fully in lumber prices except, of course, in the rather unlikely event that the dealer could afford to cut his prices on materials on which tax had already been paid. The Minister of Finance announced on December 2 that there will be a remission of sales tax on tax-paid inventories of trucks and other transportation equipment affected by the sales tax exemptions proposed in the November 18 budget. However, he has indicated he will not do the same thing for building materials.

It could be argued, however, that the same considerations that led to his decision on transportation equipment could well apply to building materials. A prospective purchaser of building materials might defer his purchases for some months until he can buy goods free of tax. Or, he might switch his business from a dealer with a large tax-paid inventory to another one with little or no inventory, who could therefore offer him immediate delivery of stock which he had just purchased and on which sales tax had not been imposed. If builders deferred purchase of materials until they could buy them on a tax-free basis, it could slow down the effect desired by the budget of encouraging a greater supply of housing at lower cost in the near future. It could also slow down the achievement of the more general objective apparently hoped for from the reduction of sales tax—the stimulating of the entire construction sector of the economy. I would therefore suggest that further consideration be given by the Minister of Finance to this matter, now that a precedent has been established with his recent decision on transportation equipment.

In conclusion, while there are those who might consider my comments to be of a critically questioning nature, they are put forward in a constructive spirit in the context of my general support of the budget. Therefore, I believe that on balance this bill should have the support of this House and I look forward to its early approval by parliament.

Excise

[*Translation*]

Mr. Gérard Laprise (Abitibi): Madam Speaker, I wish to take this opportunity to make a few comments.

When the budget bills are being considered, tax reductions are noted. I think that we must applaud such procedure, because we know that taxes are a heavy burden for the consumer, since at any level of tax collection, the burden always falls on the consumer. I have always felt that a government must only use a tax system to finance its expenditures and its administration. I think that a tax system should exist to cut financial surpluses, because it is possible and even probable at a given time, at some economic level, that too much money can give rise to a misuse of power.

● (1430)

This may create difficult situations where even the government may have administrative difficulties, when enterprises, companies or corporations become financially stronger than the government.

In this regard, a tax system must be set up to prevent the accumulation of riches in the ahnds of a happy few, but this is very far from the present principle where nearly the only purpose of the present tax system is to find financing sources for government activities,both at the federal and provincial levels.

When this is no longer enought, there exists a second means, that is to borrow from those who have savings they may lend.

Madam Speaker, I think we must rejoice whenever the government decides to lighten the burden of taxpayers through tax reductionS since when we reduce taxes, we do in some way something which helps increase the consumer's purchasing power.

So far, we have observed labour disputes between workers and employers, between public servants and government, fought in order to get salary increases based on the price index and the cost of living increase. Each time the workers have got a salary increase, a tax revenue increase has followed, and each time the wages have got higher, expecially in industry, there have been as a consequence price increases and, consequently, tax revenue increases. For years I have told this House, as the Quebec Minister of Finance has also just stated, that it is no longer necessary to increase taxes, since inflation does the job. There is no use raising taxes for the purpose of refilling the governement's treasury, inflation does the job.

In my opinion, the tax on building materials should have been completely removed. A cut of about 50 per cent is clearly not enough if it is really intended to encourage the building industry and the housing starts we knew in the last few years but which have dropped catastrophically in the last few months slowing down activity in other sectors of the Canadian industries, for instance in the lumber industry. I appreciated very much the speech the hon. member for Windsor West (Mr. Gray) has just made. He is now leaving the House. He wondered to what extent the tax cut could serve the consumer, the man who wants to build a house or buy a new one, the citizen who has repairs or maintenance to do.

[Mr. Gray.]

How can we be sure the tax reduction will reach him? To some extent, we can bank on competition, but there was competition 15, 20 years ago; I wonder if it still exists today.

Commerce, principally for building materials, is now mainly in the hands of a few companies which can easily, maybe not directly and officially but indirectly, reach agreement to support prices, Now, as the hon. member for Windsor West pointed out earlier, when they are asked about the impact of that sales tax cut on building materials, they talk about inventory. And can the ordinary consumer check the veracity of such an affirmation? It is impossible for him to know whether the inventory is depleted or not.

Therefore, I think that in conceiving such measures, we should take action to ensure that this tax cut relieves precisely those we want to relieve, namely the consumers. A few years ago, we have had the suppressions of the sales tax on medical drugs, the effect of which we did not see at the consumer's level. We were told that it was the increase in costs which was responsible for the maintenance of high prices. But what are the true facts? The consumer is not in a position to know. It is not known exactly how far inquiry commissions or civil servants of certain departments who control that sort of things can go in such situations.

I suggest that we should make or have made sure that the benefits of the sales tax removal would in fact be passed on to consumer. If that tax had been removed, I think it would have been a lot easier to check whether the reduced cost of building materials has actually been passed on to the consumer and has therefore given a new impetus to the building industry.

I suggest this is very important because housing starts have decreased by about 50 per cent and possibility more. Not only lumber, cement, concerte, elecritical wiring or plumbing equipment are involved, but also all secondary materials used in home building. Everyone of those industries is affected when house building is stagnating. Indeed, there is a chain reaction that must be watched.

When we shall consider this bill clause by clause in a few minutes perhaps, we can then study it more in depth. The minister will be in a position to give us more details, more information on every clause. We shall then know what the minister and the government have in mind, and the ultimate purpose of his budget policy.

[*English*]

Mr. William Knowles (Norfolk-Haldimand): Madam Speaker, I ani pleased to have the opportunity of saying a few words about a specific clause in this bill and of indicating that, while I am in agreement with many of the items in the budget which benefit the consuming public of this country, there is one item that concerns me particularly as a tobacco farmer and as a member representing a great number of tobacco farmers in Ontario. It is obvious that I itend to talk about the increased tax on cigarettes. I do not do this in a frivolous way, but with the hope, that when I am finished hon. members will realize I am deadly serious in my attempt to impress upon the minister the impact an increase in the tax on cigarettes has on the tobacco farmer, the primary producer, in Ontario.

The tax set out in the budget represents an increase of two cents per package of 20 cigarettes. Before I go any further, I should indicate that we appreciate the fact that budgets over the past number of years have not contained an increase in the tax on tobacco products. The minister has been kind enough to avoid such an increase in the recent past but I note that he has yielded to the temptation this time. I am not sure whether he is a smoker, but I am not speaking for the smokers; I am speaking for those individuals who produce tobacco.

The increase in taxes on alcohol and tobacco is a means of obtaining additional revenue. I hope the minister was not influenced by his colleague, the Minister of National Health and Welfare (Mr. Lalonde), to use this increase as a subtle way of cutting down on the consumption of tobacco. Unlike his colleague the Minister of National Health and Welfare, the Minister of Finance (Mr. Turner) has more common sense and allows the public to decide, as individuals, whether they want to smoke. As I say, the real purpose of an increase in tax is to increase revenue, and tobacco and alcohol are fair game when considering fields for taxation.

● (1440)

I wonder whether the minister and his officials have considered that some time, somewhere the law of diminishing returns will begin to take effect. Once the tax forces up the price to the consumer to a certain point, the sale of the product will be reduced and thereby the amount of revenue produced likely will diminish. A number of years ago the Ontario Flue Cured Tobacco Growers Marketing Board made a serious representation to the Department of Finance on that topic. At that time they pointed out the critical point at which the revenue to the government would begin to decline.

Speaking in this vein, I wonder whether the departmental officials had any prior consultation with the tobacco growers of Canada to obtain their views, because they could present this aspect of the situation much more forcibly and logically than I could in these few remarks. I hope the minister will take note of what I have said and will appreciate the great value the production of tobacco has to the economy of the area from which I come and also to many parts of Ontario and Canada generally.

The tobacco industry is really the backbone of agriculture in my area: it pours a tremendous amount of revenue into the economy. I want the minister to be very much aware of this when he unduly increases the tax on a product which means, not just comfort and luxury to the smoker but bread and butter to the man producing the original product. If the minister should not listen to what I am saying and should continue with his intention to increase the tax, I would respectfully suggest that he make available for export promotion a certain portion of this tax. The Department of Industry, Trade and Commerce has been very helpful to the tobacco growers in assisting them in the marketing of their product in countries such as China, Japan, Europe, and so on. I respectfully suggest that he seriously consider making available for export promotion certain funds raised by the increase in the tax he is now levying on tobacco. That is all I have to say, Madam Speaker. I hope the minister will take due note of the fact that tobacco is not just a luxury item but is really a very important industry in certain parts of this country.

Mr. G. H. Whittaker (Okanagan Boundary): Madam Speaker, I rise to enter the debate today on the Excise Tax Act because I should like to discuss a few things which I believe are of importance. Although the first item on which I should like to touch may be not too important to all of Canada, it certainly is important to British Columbia and to my riding in particular. It has to do with the use of the word "municipality". I see it is again used in this legislation in new subsection (3) of clause 18 where there is reference to sewerage and water distribution systems. This subsection provides:

> Where any water distribution, sewerage or drainage system is transferred by a person to a municipality within two years after the completion thereof, pursuant to a bylaw of or agreement with that municipality under which that person is required to install such system and transfer it without charge to that municipality—

I am concerned about this because in British Columbia there are regional districts and fire districts which are constituted under the Water Act. I have had some experience in this regard since coming to Ottawa. The fact is that the excise tax is being charged in respect of these organizations because of the interpretation of what is a municipality. Although these are quasi-municipal bodies, they are not given the same treatment as a municipality under the Excise Tax Act, even though in their own right they are taxing authorities and can do on their own behalf exactly what a municipality can do. When I first came here I obtained some correspondence from my good friend, the hon. member for Edmonton West (Mr. Lambert), in respect of the taxing method being used. One letter states:

> Various kinds of districts under the Water Act of British Columbia have been created for a variety of special purposes. Some have extensive powers while others have only a single purpose as street lighting or fire protection but since they are not classified as municipalities by the creating authority we have not regarded them, in general, as municipalities within the ordinary meaning of the term.

Then in a letter from the minister of national revenue in 1973 we find this statement:

> As you suggest in your letter, the Excise Tax Act is considered as contemplating fully organized municipalities and it is in this spirit that we have been administering the statute. However, in keeping with the spirit of your representations and others which have been made recently on this subject we are currently reviewing our position in this respect. Our study will encompass the form of incorporation and the functions of the various local authorities in British Columbia. The object of our study is to determine whether a recommendation should be made to the governor in council to classify some or all of them as municipalities for the purposes of the Excise Tax Act.

This came about because of the fire districts in my area which are in the regional district but are not municipalities. They were classified as unorganized territory. In order that the people in these regions could set up a fire protection district, these areas were classified by the province of British Columbia and incorporated under the Water Act. At one time they purchased their equipment and were not bothered too much. Then suddenly someone in the department discovered what was going on and started to harass the seller of the equipment in respect of the tax and, of course, the seller could not do anything other than pass the tax on to these districts.

We started looking into this problem in 1973 because these organizations were being taxed. On October 1, 1974,

the Winfield fire protection district in my area was taxed an amount of $3,654.05 for a piece of fire protection equipment. I am very concerned about this situation because these districts cannot qualify as municipalities since no one on the government side seems to want to change the wording in the act in respect of municipality, which states "any water distribution, sewerage or drainage system".

● (1450)

Exactly the same thing will happen in these areas where we have regional districts which are not classified as municipalities as has happened with the fire protection districts. These regional districts are set up to perform this kind of function. If we have municipalities which do not cover all the people in total, then I would respectfully ask the minister to amend the interpretation to include all these types of people in Canada. I do not wish to accuse the minister or the government of not doing this because only a very small area of Canada is involved; nevertheless, I think this provision must be changed to avoid discrimination.

Over the years I have been intrigued by the excise tax. I first became interested in it when I was in the appliance business in Vancouver shortly after the war and we found the excise tax being put on one year and taken off the next on some of the appliances we sold. I could never really understand the philosophy behind the imposition of this tax. In my opinion, only the income tax is fair. I should like to know the reason for putting the excise tax this year on boats of over 20 horsepower. In my riding in the Okanagan Valley we have a flourishing industry in boats. Our greatest satisfaction is in the pleasure people take from these boats. There are some lovely lakes in the area which lend themselves to the use of boats built locally and used both by local people and tourists who visit the Okanagan Valley.

Now the excise tax is imposed on boats of over 20 horsepower. What is the thinking behind this measure? Does the minister believe that this is what he has to do to fight the energy crisis? The people who are manufacturing and selling the boats, and we have many of them in British Columbia, have already been hit by the full impact of the energy crisis. The number of boats over 20 horsepower that are sold and used in the area, and on which the excise tax is imposed, amounts to 80 per cent. The percentage is not nearly as high with regard to Cadillacs. The gas consumption in the motor boat industry in Canada is well below 1 per cent. I do not think that the excise tax will have very much bearing on gas consumption but, as I have said, the motor boat industry has already been hit by the energy crisis. For instance, resin, which is used in making fibreglass boats, has increased in cost in one year from 20 cents a pound to 56 cents a pound. The upholstery which is used in other boats, which I believe is mainly plastic, has gone up 27 per cent.

A popular model of a boat manufactured in my area which in 1973 sold for $5,847, in 1974 sells for $7,268. Now, with the increase in tax, it will go up to $7,915 because the tax increase is $647. I really wonder whether that will stop people buying boats. I certainly do not believe that people will stop buying Cadillacs because of the price increase. The percentage of sales of Cadillacs is not very great anyway, and I do not think the increase in cost will be a deterrent because people who can afford that price can afford the increase also.

There has been a tremendous increase in the price of boats in Canada and in North America because of the cost of the input in boatmaking. We could also speak about the competition between imports and Canadian production: it is a very interesting subject. I do not think too many boat manufacturers are worried about competition except for the fact that boats manufactured in the United States are cheaper because of the lower price of materials. Manufacturers there have ways of exporting boats to Canada and avoiding in some way part of the duty that is charged, so that the percentage of the increase as a result of the excise tax on imported boats is lower than for Canadian boats.

Most hon. members here know that I always put in a plug for industry in Canada and I do not like to see anything done, small as it may be, to inhibit the development of industry in this country. However, here is another instance where it is not being helped. I would not be suprised if somebody in the boat manufacturing business in the Okanagan Valley said to me: "It would be much better for me to move my plant across the boarder to Omak, which is only about ten miles away, so that I could manufacture my boats there using American labour and American materials." We would be witnessing the disappearance from Canada of another industry that could sell its products for less. In the whole area of the Okanagan Valley there are beautiful lakes and a great many people have their pleasure boats there. Certainly, the tourist industry depends on boats and it would be to the detriment of that industry to impose this tax.

Another subject in which I am interested is the wine industry in the grape-growing area of the Okanagan. We have had our problems there with the farming industry. We have a tremendous fruit industry, but we cannot get cars to transport our fruit for export to the United States or even to bring it to eastern Canada. Perhaps the consumer does not see this, but I certainly see a great number of American apples being sold in eastern Canada today. I know, Madam Speaker, that you would not notice the difference in the price of American apples and Okanagan apples, but I certainly do. This is one of our problems. One of the things we have been told by officials of the federal Department of Agriculture and officials of the provincial department is to diversify the industry so as to avoid surpluses. One way to do this is to grow grapes. We have the right climate for grape growing—semi-arid, semi-desert.

● (1500)

The Minister of Finance (Mr. Turner) wants the wine industry to pay additional excise tax and I do not know why. I cannot understand this move, as the wine industry in Canada is not economically healthy, not making large profits, and not reaping the rewards of inflation which many other industries are reaping. It is in a depressed state. That is the best way to describe it.

We should consider the Australian experience of a few years ago. Australia imposed an excise tax on Australian wine. That move only helped to depress the Australian wine industry. Finally the Australian government had to

rescind the tax in view of large losses the Australian wine industry had suffered.

Look at it another way. The government is to tax more heavily the wine industry, but it will not impose similar taxes on beer or cider, substances which have competed for the consumers' attention over the years. It is well understood that demand for wine is elastic and responds to price changes. How consumers will respond to the price of wine is not known. As I say, wine competes with beer and cider for the consumers' attention in the market place. Considering the economic condition of the Canadian wine industry, I think that the new tax will make it much harder for the industry to expand and use all the grapes grown in Canada.

The Canadian wine industry is under pressure from imported wine. Last year wine imports increased by 9 per cent, and domestic wine sales were down by 1.5 per cent. Is this the time to impose a 60 per cent tax hike on our wine industry? Officials of the department think the extra tax will bring about $5 million more into the coffers of the federal government. A drop in sales of domestic and imported wines might mean that the government will gain much less than $5 million from its new tax.

We must also consider some intriguing side effects. Because of the tax importing agencies will be under pressure to bring in lower priced wines. Some low-priced wines may be dumped in Canada. We know that the grape crop in the United States has never been larger; probably it stands at an all-time high. We know American grape growers are looking for markets for their product. As American grapes are cheap they may be dumped in Canada, in one form or another. Further, I know from experience how difficult it is to prove dumping. Nevertheless, as some Canadian wines become more expensive by virtue of the tax, imported, low-priced wines may fill up the vacuum. Therefore the new tax will not help the Canadian wine industry, or Canada.

For that reason I hope the minister will consider again the imposition of this tax. At the same time will he reconsider the tax on boat engines, as it will not do what some in his department think it will? I hope, in any event, that the minister will reconsider the additional tax on Canadian wines.

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, I appreciate the difficulty the Minister of Finance (Mr. Turner) faces as he attempts to readjust our taxation system. His is indeed a difficult job, but he must make sure that, in adjusting our tax system, he does not upset the delicate balance of the market place. I am particularly concerned in case, by readjusting our tax system, he unwittingly destroys the competitive advantage enjoyed by a particular Canadian industry. By hurting the competitive position of a Canadian industry, he may disadvantage other segments of our economy which depend on that industry, and thus hurt them.

I was pleased to note that the minister talked about objectives and about the fact that he is trying to bring about competitive balance within industry. He also talked in terms of encouraging investment in Canada, particularly Canadian investment in Canada. Those are worthy objectives. Any actions which may bring adverse effects or which may hinder the attainment of such objectives should be examined carefully.

I do not intend to repeat the arguments of my colleague from Okanagan. However, as a British Columbia member who is interested in the growth of the wine industry in British Columbia, I am concerned in case the competitive position of that industry may be disrupted. The industry may be damaged severely.

The Canadian wine industry now employs just over 1,000 people, and Canadian grape growers supply 2,000 permanent jobs and six weeks' seasonal employment for many more. Twenty-eight Canadian wineries and about 1,150 grape growers have a current capital investment of approximately $130 million. The wine industry uses about $36 million worth of supplies obtained mainly from Canadian grape growers, and from glass and paper board manufacturers.

Canadian wineries purchase over 75 per cent of the Canadian grape crop. This is the second largest fruit crop in Canada, and its concentration in the Niagara Peninsula in Ontario and in the Okanagan Valley in British Columbia makes it extremely important to the general economy of these areas. The current forecast for Canadian grape purchases by the wineries in 1974 is about 60,000 tons, with a potential value of approximately $14 million.

The proposed excise tax increases will seriously impair development of the Canadian wine industry, an agriculturally based industry which is still in its formative stages, although it has experienced some healthy growth in recent years and anticipates expansion in international markets. Certainly this Canadian industry is growing and anticipates moving into the international market. In some cases Canadian companies anticipate taking over American companies, rather than the reverse. Certainly they should be encouraged. Instead, they are facing a serious slowdown in sales, showing an increase of less than 1 per cent in the 12 months ending March 31, 1974. While corporate profits generally show substantial increases, Canadian wineries are showing profits below last year. The industry in encountering pressure from low-price imported wine and sky rocketing costs for Canadian wineries.

● (1510)

I ask the minister to reassess the competitive position he is disrupting in the Canadian industry relative to imported wines, and also the position of the wine industry relative to other alcoholic beverages such as beer. One of the responsibilities of a member of parliament is to make the minister and his department aware of some of the effects he might be having on small businessmen or small industrialists.

One change in the bill that is of concern to me and will affect the industry in my constituency relates to the situation of built-in fireplaces. There are three types of built-in fire-places. One is constructed from a base of brick. There are also the metal fireplaces and free standing fireplaces.

The free standing fireplace is being put in an unfortunate competitive position. I understand that 90 per cent of them are manufactured in Canada. This is a relatively new business. In fact this market is being taken away from United States manufacturers. On the other hand the American manufacturers produce a type of built-in fire-

place that will compete with this free standing fireplace and gain a tax advantage. They in turn produce some 90 per cent of the input into Canada.

It is rather incongruous that the Minister of Finance would promote a taxation benefit for an American industry and a taxation disincentive for a Canadian industry, particularly since this is a new industry which is just getting on its feet.

This Canadian industry is doing extremely well. Its growth has been quite satisfactory, particularly with regard to British Columbia. This is also an Ontario based industry. On that basis I ask the minister to reassess this and hopefully take out of the legislation the words "built-in". If fireplaces were just included generally, this would be satisfactory.

Another minor factor encouraging the free standing fireplace is the matter of conservation. A free standing fireplace gives off a considerable amount of heat. As we are talking in terms of energy conservation, we should not have the heat going up the chimney. We should instead ensure that it is distributed throughout the room.

Injuring the free standing fireplace industry by destroying its competitive position and increasing the competitive position of the United States companies is totally against all the concepts upon which the minister built his budget. He built it upon the premise of hopefully improving employment in Canada. This will do the opposite. He built his budget on the objective of encouraging Canadian investment in Canada. This clause regarding built-in fireplaces goes against the objective. It is upsetting the competitive position of this Canadian industry. I am sure that is not the minister's intent.

I hope the minister will remove the words "built-in" from the bill. I will look for that in the amendment. That is in schedule V, Part 1, paragraph 2. I would appreciate it if the minister would take these factors into consideration. If necessary I will discuss the matter further on third reading.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, as I do not wish to take too much time of the House I will only make a few comments. I know that other members want to speak and that there is a disposition to pass this bill by four o'clock.

When you look at this bill in an overall way, you see there is good news and bad news in it. The bad news is if you fly or are a passenger in an airplane, drive a big car, buy a boat with the motor over 20 horsepower, smoke cigarettes or cigars, drink wine and brandy.

Mr. Nystrom: It is bad news for you, Bill.

Mr. Kempling: I'm glad you are here. If you are in the construction machinery business, truck equipment business, are handicapped, have children and are buying clothing for them, then there is good news for you.

I wish to endorse the comments regarding the wine industry which were made by my colleague, the hon. member for Okanagan Boundary (Mr. Whittaker) and the hon. member for Fraser Valley West (Mr. Wenman). We have a considerable wine industry in the Niagara Peninsula. I have been in contact with them and I understand they have made representations to the minister. I hope he will take the remarks of my colleagues into account, as well as the representations made by the industry which is quite concerned about where it will be heading in the future.

I know that other members intend to speak at some length regarding taxation on motors, boats and so forth. Therefore, I will skip my remarks on that. I will confine myself to the transportation equipment business. I commend the minister on his recent news release wherein he recognized the tremendous inventory that this industry has on hand. He says he is prepared to do something about it. Remitting the sales tax would represent millions of dollars to the industry which is now having great problems with cash flow. This would certainly help them. When the minister made the announcement I took the liberty of sending out approximately 150 copies to people I knew who would be interested. I know they are waiting for a further revelation on how this will be handled.

The industry about which I am particularly concerned is the Canadian truck body and equipment industry. It is vitally affected by the regulations pertaining to transport equipment. I wish to say a few words about that. This industry has had a good deal of difficulty getting any sort of recognition from the government. As a matter of fact, the reason its association was formed was because various members in the business had received different rulings from the Department of National Revenue pertaining to sales tax and excise tax.

At that time a handful of people in the business, including myself, got together and compared rulings. We found some people had rulings and other did not. Some were being taxed unjustly and others not taxed at all. Consequently we formed an association. It is now Canada-wide with representation in every province. It represents hundreds of millions of dollars in business every year and employs thousands of people. One particular problem the Canadian truck body association had was that they met with various departments of government, but I am told that the departments or the government were not aware that such an association existed. I want to repeat that they do hundreds of millions of dollars worth of business a year. They do employ a great number of people, and they are a very innovative type of industry. The proposal which mainly concerns them in the schedule is in Part XVII, items 8 and 9:

● (1520)

Parts and equipment designed for permanent installation on the tax exempt goods mentioned in sections 1 to 7 of this Part where, in the opinion of the Minister, the fair sale price by the Canadian manufacturer or the fair duty paid value of the imported article exceeds $1,000 per unit.

As I say, this is a very innovative industry. It responds to the demands of the construction industry and transport industry, as well as to the needs of municipalities. In many cases the products of several manufacturers are combined. I stress to the minister that he ought to accept the principle of aggregate pricing when dealing with $1,000 value per unit.

The bill provides, as I read it, that where the duty paid value of the manufactured article exceeds $1,000 per unit the tax is to be levied. It is very simple to take a hydraulic

pump and a power take-off, or some other device, and combine them into a piece of equipment which sells for $3,000. But either of these items separately might be worth only $500. In the past the department has held that when these components are combined it constitutes production for the purposes of the act.

Take the example of a manufacturer who makes a truck. That is merely transportation until someone puts a body or a piece of equipment on the back. But when fitted with a van body, a tailgate and a hydraulic lift, the additions, as a whole, may well be worth $3,000, although the value of the parts separately is less than $1,000 each. If any one of those articles is left off the buyer is not in possession of a complete piece of machinery. When the minister is laying down the rules I hope his officials will recognize this aggregate principle, so that when someone in the business describes a piece of machinery the aggregate principle will be applied.

I see that my hon. friend from South Shore has some comments to make. I believe I have made my point, and I see that the minister's officials in the gallery have noted my remarks as well. Having said this, I shall defer to my hon. friend.

Mr. Lloyd R. Crouse (South Shore): It is not my intention to speak at any great length on Bill C-40 or seek to delay its passage. However, there are a number of items in it which are causing me concern. One in particular appears in item 11 in clause 21 where we read that a special excise tax of 10 per cent will be applied against:

> Boats, other than boats purchased or imported by Her Majesty in right of Canada for use exclusively by the Government of Canada, designed to be propelled primarily by motors exceeding twenty horsepower; and motors exceeding twenty horsepower (including drive assemblies) for boats other than boats purchased or imported by Her Majesty in right of Canada for use exclusively by the Government of Canada.

When this information became public knowledge following the budget speech, I received telegrams from several boat builders in my riding which I should like to place on record. One firm, one of the largest Canadian manufacturers of sailboats, expressed itself as follows:

> Strongly oppose the special excise tax for pleasure boats and engines proposed in the November 18 budget speech. We feel this 10 per cent tax will strike a blow detrimental to the small boat industry which is already struggling in the grip of inflationary costs. We implore you to reconsider this proposed tax immediately.
>
> Paceship Yachts,
>
> Mahone Bay, Nova Scotia

Another telegram which I received reads as follows:

> Dear Mr. Crouse, Your attention is directed to the forthcoming bill re 10 per cent excise tax on large outboards and boats. This is a drastic blow to a business and industry which is already staggering under inflation. Your co-operation please.
>
> Corbett's Gun and Tackle,
>
> Liverpool, N.S.

And from yet another boat builder:

> Very unhappy with 10 per cent excise tax on outboard motors and boats introduced by federal budget. Anything you can do to eliminate or reduce this tax will be very much appreciated.
>
> Sealand Industries Ltd.
>
> Gerald B. Stevens.

These are the people who have sent telegrams to me, but I have received other indications through personal contacts and by telephone from many others, citizens and boat builders in my riding, about this matter.

In his budget speech the minister stated that this special excise tax was proposed with respect to high energy consuming vehicles, effective immediately, and presumably he is following this course in order to conserve our dwindling supplies of oil. Nevertheless, I view this measure with considerable alarm.

The boat building industry in Canada, and especially in Nova Scotia, is already troubled by marketing problems. I would point out that boats and yachts, generally speaking, are luxury items and that when the economy turns down into a recession, as it has at the present time in Canada as well as in the United States, a yacht is one of the first things a person deletes from his budget.

Mr. Hargrave: I never had one in my budget!

Mr. Crouse: I suppose the second thing to be deleted is a light private aircraft. But in this instance I am dealing with boats for special use, boat builders, and the tax the minister proposes to place upon this industry. I would ask the minister to bear in mind that when the yacht-building business declines, a whole group of ancillary industries are forced to close their doors.

I recognize that the Minister of Finance (Mr. Turner) has a vast range of knowledge in probably many fields, but I venture, nevertheless, to offer him this information: the hulls of most yachts or pleasure craft are built in one place, the galvanized fittings are made somewhere else, the blocks and rope fittings in yet another place, and the dacron sails are made elsewhere.

Bilge pumps, small anchor winches, riding and running lights, galley equipment, toilet equipment and fittings are either manufactured locally or brought in from some other part of Canada. so when the boat building industry is closed down it is not unlike closing down the auto industry, since the ramifications of such an action are felt, though on a smaller scale, throughout the length and breadth of Canada.

Another question which comes to my mind concerns the simplicity of the wording of this provision. Does the word "boats" refer not only to pleasure boats but also to fishing boats? If it does, it opens up a whole new field of inquiry and concern. I am not going to get into that aspect this afternoon in view of the limited time we have available, other than to say that if it does apply to fishing boats it is something that will really add the finishing touches to an industry that is already facing high winds, heavy seas and cloudy weather. I hope that the minister in his reply will clearly indicate that this does not apply to fishing boats.

● (1530)

For the life of me I cannot understand the reasoning behind the minister's action, for this particular industry contributes a great deal toward our balance of payments since the major part of our yacht and pleasure craft manufacturing industry exports its production to the

United States. As long as the U.S. dollar was trading on a basis higher than the Canadian dollar, the Canadian shipbuilders could survive economically. But now the U.S. dollar trades on a basis lower than the Canadian dollar, and this is compounding the problems of our boat builders.

The average pleasure craft requires a motor, even if it is a sailing yacht, for motor power is required to bring it into port in the event that it is becalmed. I cannot help but wonder why the minister, if he needs money so badly, did not simply put the excise tax on the motor alone rather than on the entire boat. If he persists—and I say this with due respect to the minister—in this foolhardy proposal, he will simply be killing the goose which has been laying the golden eggs which the minister and his government dearly love to tax so highly.

This tax points out more clearly than any words of mine that in bureaucratic Ottawa the right hand simply does not know what the left hand is doing. Here we have a department of Regional Economic Expansion making grants to assist industry, on the one hand, in regionally depressed areas, while the Minister of Finance on the other hand is establishing policies which basically lead to the destruction of local industries on a massive scale, leading in turn to still further unemployment, a problem which is seriously plaguing the present government and the country.

This 10 per cent tax deals our boat building industry a crippling blow which it may well not survive. I implore the minister to reconsider this matter, to cut down on his need for money by cutting down on his massive public building program for Ottawa and Hull for at least a few years, in the hope that this will take off the pressure for additional funds, pressure which, I submit, is killing the boat building industry in Nova Scotia as well as other private industries in this country.

Mr. Whittaker: Mr. Speaker, I rise on a point of order. I am making this point of order now because I want to give the minister an opportunity to consider it. My point of order relates to item 11 in clause 21(2), relating to boats. My point of order is that this item offends against Standing Order 60(11).

Mr. Deputy Speaker: Order, please. The hon. member has already spoken, and what he is now saying could have been said in his speech. The House is considering the second reading of a bill, and I do not see how it can consider a clause in the bill until and unless the House goes into committee of the whole. I see the hon. member for Edmonton West (Mr. Lambert) shaking his head, and if he has a different opinion I would invite his comments.

Mr. Lambert (Edmonton West): Mr. Speaker, my comments are very brief. First of all, I do not know that there has ever been any rule which provides that having spoken during the second stage of a bill an hon. member cannot rise subsequently on a point of order. That is item one. Secondly, I submit that although the hon. member is referring to a particular item which could be discussed in the committee stage, I put it to you that his point of order goes to the very resolution on which the bill is founded.

The minister is asking this House to give approval in principle to a bill which, on the basis of the argument that will be advanced by my colleague, is defective under our standing orders. I can give Your Honour chapter and verse of previous examples. My colleague will explain, and I do not want to steal his thunder. I suggest that Your Honour hear him out, and then I think you will see that on the basis of his proposal it is at second reading stage that this matter should be raised. It could be raised on no other occasion that on second reading.

Mr. Deputy Speaker: I am, of course, ready to listen to the hon. member's argument. The principal point that I was making, without my listening to the point of order—though I might be mistaken about this—was that I was afraid he was going to involve himself in another speech, using the excuse of a point of order to complete some comments that he did not make when he had the floor. I still question what the hon. member is attempting to do at this time. Nothing would have prevented him from at least enlightening the Chair during the course of his speech. Then, in view of the time element, we would not have had to go into a procedural debate which might take up all the available time. The hon. member for Okanagan Boundary.

Mr. Whittaker: Thank you, Mr. Speaker. As I was saying, my point of order is that item 11 in clause 21(2) relating to boats offends against Standing Order 60(11). This Standing Order provides:

> The adoption of any Ways and Means motion shall be an order to bring in a bill or bills based on the provisions of any such motion.

The ways and means motion upon which this bill purports to be based was adopted on December 2, 1974. With respect to item 11, the ways and means motion reads as follows:

> Boats, other than naval vessels, designed to be propelled primarily by motors exceeding twenty horsepower: and motors exceeding twenty horsepower (including drive assemblies) for boats—ten per cent.

This is to be found at page 219 of the English version of the budget motions. The French version is at page 232. I point out that the exception in the French version reads "autres que les navires de guerre". The English version in the bill, at page 11, refers to:

> Boats, other than boats purchased or imported by Her Majesty in right of Canada for use exclusively by the Government of Canada . . .

I would point out that the meaning of "boat" to which the tax applies is affected as the exception widens or narrows. In the ways and means motion, the exception is "naval vessels". Note the distinction in the use of the word "boats" and, again, "vessels". Then, also, "vessels" is qualified only by the adjective "naval". It can be argued that "naval" is used to assure that "vessel" is understood in the sense of a ship, rather than any other meaning that the word "vessel" can have.

In this use the distinction maintained by many yachtsmen is upheld, namely, that there is a distinction between a "boat" and a "vessel". Generally this distinction relates to size. In this interpretation the tax would not apply to vessels whether owned by a private citizen or corporation or by the Crown. On the other hand, the tax would apply to boats, other than the class of naval vessels, even though owned by the Crown.

In support of this interpretation, the draftsmen of the item in the bill have dropped the use of "naval" and

"vessel" and have used "boat". Here they have qualified "boat" by substituting "purchased or imported by Her Majesty in right of Canada for use exclusively by the government of Canada". The words "purchased or imported by" are completely new. There is no such qualification in the ways and means motion. The idea of ownership is completely new. The motion does not refer to ownership at all. The bill brings in ownership and use. The boat must be purchased or imported by Her Majesty for the exclusive use of the Canadian government. Not only do the technical words differ between the motion and the bill, the concepts have changed.

● (1540)

I would also point out the obvious difference in the French version between the use of the words "navires de guerre" in the motion and the word "navire" in the bill. The English and French versions differ even in the motion. One uses "boat, other than naval vessels", the other "bateaux, autres que les navires de guerre". In the Bill, the word "boat" is used in the general and in the particular, but in the French version the general word is "bateaux", while the exception is "navires".

In the end result, Mr. Speaker, I suggest that item 11 in the bill does not comply with the requirements of Standing Order 60(11), and must be struck out as not based upon the relevant item in the budget motion.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I want to congratulate the hon. member and the overworked research staff of the opposition on putting together that particular argument. The hon. member has made his case on second reading when his colleague, the hon. member for Edmonton West (Mr. Lambert), said he should make it. Unless Your Honour wants to rule at this stage, perhaps we could argue the point when we get to the specific clause. In any event I should like to have the opportunity of examining the argument of the hon. member.

Mr. Deputy Speaker: Order, please. At this time the Chair has to decide whether there is a point of order, and not with regard to the goodwill of the minister. What the hon. member for Okanagan Boundary (Mr. Whittaker) has said confirms the first impression the Chair had. The hon. member for Edmonton West (Mr. Lambert) is aware that the motion before the House at this time is that the bill be read the second time and referred to the committee. I do not see how he could expect the Chair to rule on a motion to delete a clause of the bill at this stage of second reading without having that specific clause before the House. At this time the whole bill is before the House.

I see that the hon. member for Edmonton-West (Mr. Lambert) seems to be attempting to rise. He had the opportunity to stand up and make his case earlier. At this time the House is considering the whole bill, and I do not feel it can be amended at this stage of second reading. I cannot accept the argument of the hon. member that I should make a decision on a motion to delete item 11 at this time when that clause is not really before the House, but will be before the Committee of the Whole at a later stage. For these reasons I cannot accept the point of order raised by the hon. member.

Mr. Lambert (Edmonton West): Mr. Speaker, I rise on a point of order.

Mr. Turner (Ottawa-Carleton): The Speaker has made his ruling.

Mr. Lambert (Edmonton West): The Speaker has made his ruling, and I say that is unfortunate because the same point of order arose at the time Bill C-259 was introduced.

Mr. Deputy Speaker: Order, please. I would remind the hon. member that he had the opportunity to intervene during the procedural debate but did not do so.

Mr. Lambert (Edmonton West): Oh, I beg your pardon!

Mr. Deputy Speaker: I do not think the hon. member should have the right to make a further comment on the acceptability of the ruling after it has been made. For that reason I suggest that we proceed with the debate.

Mr. Lambert (Edmonton West): Mr. Speaker, I suggest that we should take one thing at a time. My colleague was raising a point of order. Your Honour intervened and, in effect, suggested that he should not be doing that. I suggested to Your Honour, without disclosing what the hon. member was going to say, that it was right that he should do so at this time. Your Honour did not give me the opportunity to speak on the merits of what he was saying. I could not speak on the merits of what he was going to say because he had not said it.

It was for that reason I indicated my desire to rise in order to draw Your Honour's attention to a very valid and compelling precedent, namely, the decision of Mr. Speaker Lamoureux on precisely the same point in respect of Bill C-259. The bill introduced did not conform with the ways and means motion, and steps had to be taken to correct it. That is all we are concerned with now—correcting the discrepancy.

Mr. Deputy Speaker: The hon. member for Sault Ste. Marie.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I too would like to address myself to the subject matter of the item referred to in the point of order. I want to examine the item and its content, namely a provision for a 10 per cent tax on boat motors over 20 horsepower. I notice that the minister is here and that a half a dozen officials from his department are in the gallery.

I, too, have received representations from marine dealers, and I should like to lay some of their arguments before the House with the hope that the minister will listen carefully, as I think they make a great deal of sense.

The point is that the 10 per cent tax on boat motors of over 20 horsepower will have a detrimental effect not only on the marine business but also on tourist operators and commercial fishermen in northern Ontario. When I look at the tax I must ask myself why the minister brought it in. I can only conclude that this was an attempt to reduce energy consumption, and that the tax was viewed as a luxury tax in that these boats are used primarily for recreation. On an examination of this matter I would dispute that the tax will have the desired effect.

I suppose the first idea of the tax was to reduce energy consumption by taxing the large motors, thereby discouraging the purchase of motors over 20 horsepower. I submit that this is discriminatory. We find a similar tax being applied to high energy consuming automobiles. I would point out to the minister and his officials that these boat motors are used only during summer months, on an average for about 100 hours per year, whereas the high energy consuming automobile is used the year around. I conclude, therefore, that the tax regime is unfair when it compares boat motors with large automobiles.

In addition the owners of boats have to contend with higher fuel costs, and that has an effect on energy consumption. I find this tax, which applies to outboard motors of over 20 horsepower, is discriminatory if it is being used to prevent the high consumption of energy. I do not have a Canadian study on the matter, but I did examine the records of the United States Department of Commerce which indicate that the combined energy consumption of outboard motors, snowmobiles, lawnmowers and so on is less than one-half of 1 per cent of total energy consumption in the United States.

Let me also point out to the minister and his officials that 1975 outboard motor models have been vastly improved in respect of energy consumption. I am told that 1975 Mercury models have been improved to the extent of 25 per cent to 40 per cent in fuel economy. The new 1975 models will not burn as much fuel as the older models.

● (1550)

Also I have learned that a 1975 70 horsepower outboard engine uses less gas per mile than a 40 horsepower outboard engine. If the motive is to reduce energy consumption I do not think this tax on the new 1975 motors is a fair one from the point of view that the motors have been improved in their design and require less fuel. If the minister is looking at this tax, not from the standpoint of fuel consumption but from the point of view of this being a luxury item, then I think he is out of date. At one time outboard motors of 20 horsepower could be considered a luxury, but today the trend is toward larger and heavier boats which require motors much more powerful than 20 horsepower.

I would also point out that there is a need in today's society for recreation, and that more and more people today try to get away from the pressures of modern day work by getting out with their families. Boating is a very important recreational industry in this country. It is enjoyed by thousands of Canadians and their families. One cannot water ski behind a 20 horsepower engine. A larger engine is required.

This tax will have an effect on family recreation. I would also point out to the minister that marine dealers cannot survive on the sales of motors of 20 horsepower and below. A 20 horsepower engine sells for about $700. It is interesting to note that in respect of 60 per cent to 75 per cent of marine dealer sales, the revenue from engine sales is in the 40 horsepower to 80 horsepower range and not in the range primarily below 20 horsepower.

The other very discriminatory thing about this 10 per cent tax is that it means that the marine dealers will have to find 10 per cent extra working capital, because they purchase their motors in December for sales during the spring and summer. I spoke to one dealer who told me that, as soon as this proposed tax was announced, he immediately called his supplier and cancelled his order for outboard motors for this winter because he did not have that extra 10 per cent that he claimed would be needed if this measure should pass. Marine dealers also tell me that because of the general inflation in today's economy, and the marginal aspect of their business, a number of operators will be forced to close down, or at least to lay off a number of employees.

In my riding of Sault Ste. Marie there are approximately 100 people employed as marine dealers. We can only guess how many workers in this country are employed in the building of boat engines, pleasure boats and other craft. Also, of course, the ramifications of the decline in the boat and outboard motor industry will be felt by tourist operators and all subsidiary industries which supply them. Therefore I think this tax will have a much more far-reaching effect than the minister and his officials first realized.

It is also interesting to note that in the budget of May 6 this tax was only 3 per cent, while in the November budget it is 10 per cent. I think some explanation is required in respect of this increase. Because of the hardship to marine, fishing and tourist operators, and indirectly the hardship to those employed in the building of boat motors and the building of boats themselves, I urge the minister to amend this bill so that the 10 per cent excise tax would apply only to marine engines of 85 horsepower or over.

If this is to be viewed as a luxury tax then obviously those who can afford to buy motors of 85 or more horsepower can afford to meet the 10 per cent tax. I very seriously urge that the minister reconsider the implications of the 10 per cent tax on motors above 20 horsepower. I find this to be discriminatory against many of our small boat operators. Many companies will be forced either to lay-off employees or even shut down. I think it is time the government learned to protect some of our small businessmen more than the large corporations to which the government gives so many tax concessions.

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I have but three minutes left. I think I can make a a five minute speech if you would be willing not to see the clock for two minutes. I hope to be awarded for my brevity by the minister when he ultimately makes his response.

The entry to my first comment is through clause 19, where there are some minor adjustments in sales tax to help handicapped people. I congratulate the minister for the step he is taking to help the handicapped by the removal of certain taxes, but the removal of the sales tax simply is not enough to help the handicapped.

The minister will ask why I do not bring this subject up during a debate on national health and welfare in a social context. The reason I am entering a plea for the handicapped during a debate on the finances of this country is that since the budget came down we have received from the Economic Council of Canada, in its annual review, the theme that there is a need for economic and social indica-

tors. I shall quote just one sentence to indicate what the Economic Council was saying:

> . . . there is a need for a broader framework within which it should be possible to say something concrete, from the viewpoint of overall well-being, about the ultimate ends of the socio-economic activity of the nation, the means to achieve these ends, and the degree to which they are being achieved.

I am really amazed because, although I am a long way from being a candidate for appointment to the Economic Council of Canada, I go back to a speech I made a year ago in which I entered the idea of having a social council of Canada which would emphasize social indicators that would help us in an integrated economic and social plan. In other words, it is not enough any longer in our very complex society for us to have economic indicators as the chief criterion for our success in society.

I want to impress upon the minister how much I look to him for leadership in backing up what the Economic Council of Canada is saying about the implementation of social indicators and the integration of them with economic indicators, so that together there can be a better over-all policy aimed at the well being of the human being and the individual.

Now, on the subject of the handicapped I only point out to the minister that despite the programs and various things done for the handicapped, there is not in this country adequate educational, vocational and employment guidance for handicapped people. I know what I am talking about on this subject, because there are in my riding several handicapped groups which are overly dependent for funding on LIP and other politically inspired government programs.

I could make available to the minister correspondence and documents which indicate the difficult time the handicapped people in our country have because they are not plugged into the economic system and have too low a priority. The priorities of the government are geared exclusively to the economic well being—I reinforce what I am saying now by reference to the Economic Council of Canada—and there must be an integration that will improve the quality of life, into which the handicapped will then have a right of access rather than be treated in a paternalistic and patronizing way. I do not blame the minister. I only say I encourage him to get behind the Economic Council of Canada and lend support to the implementation of its ideas, and perhaps more specifically get behind the idea of a social council of Canada which would help implement this.

● (1600)

I ask for an extra minute so I may make my second point. I will do it under sixty seconds because the minister is well tuned into the argument which I am advancing, that is my very extreme objection to the implementation of an air transportation tax. I tell the minister that this is discriminatory in regard to western Canada.

Mr. Deputy Speaker: I had hoped that the hon. member would ask for the consent of the House if he wishes to go beyond four o'clock. I allowed him one minute, but I feel that an extra period of two or three minutes needs the consent of the House.

Excise

Mr. Turner (Ottawa-Carleton): Mr. Speaker, on a point of order may I say that I think the House would grant an extra minute to the hon. member for Edmonton-Strathcona (Mr. Roche), or give him an alternative. As other members would like to speak on clause 1 because there is an amendment to the definition section, if second reading is granted could we have an understanding on the part of the House that the general debate on clause 1 would be carried on in Committee of the Whole?

Mr. Roche: I am willing to wind up in one minute, if the House would agree.

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Roche: The minister is familiar with the argument; he does not need to hear it in detail. It was mentioned at the Western Economic Opportunities Conference, and he knows it that the spirit of the Western Economic Opportunities Conference in Calgary was to treat transportation in this country as being for regional development. If we cannot get the National Transportation Act amended immediately so that the principle of it being for regional development is a priority, at least we can avoid taking steps that are discriminatory against western Canadians through a tax that would hurt many businessmen and families in western Canada for whom air travel is a necessity. I think this is an unfair tax which certainly violates the spirit of the Western Economic Opportunities Conference, and I want to put that seriously before the minister.

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

Some hon. Members: On division.

Motion agreed to, bill read the second time and referred to the committee of the whole.

Mr. Deputy Speaker: Does the House agree that we not go into Committee of the Whole now but proceed to private members' business?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It now being four o'clock, the House will proceed to consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills and private bills.

Mr. Lefebvre: Mr. Speaker, I rise on a point of order. I think you will find that there is general agreement that we discuss today private member's notice of motion No. 14 standing in the name of the hon. member for York-Sunbury (Mr. Howie).

Mr. Deputy Speaker: Is it agreed that we stand all motions appearing ahead of motion No. 14, and proceed with motion No. 14?

Some hon. Members: Agreed.

Child Abuse

PRIVATE MEMBERS' MOTIONS

[*English*]

CHILDREN

REFERENCE TO COMMITTEE RESPECTING ABUSE AND NEGLECT

Mr. J. Robert Howie (York-Sunbury) moved:

That, in the opinion of this House, the government should direct the Standing Committee on Justice and Legal Affairs to study and report back to the House its recommendations in respect to appropriate measures for the prevention, identification and treatment of child abuse and neglect, and for such other ancillary measures in the same matter as the Committee may consider desirable.

He said: Mr. Speaker, I would like to ask for the unanimous consent of all members to make a slight change in my motion, that is, to change the words "Standing Committee on Justice and Legal Affairs" to "Standing Committee on Health, Welfare and Social Affairs", so that the matter would go to a different committee.

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Howie: Mr. Speaker, I hope all hon. members will agree with me that the government should direct the Standing Committee on Health, Welfare and Social Affairs to study and report back to the House its recommendations in respect of appropriate measures for the prevention, identification and treatment of child abuse and neglect, and for such other ancillary measures in the same matter as the committee may consider desirable.

I feel that this is a matter of urgent and pressing necessity which requires our immediate consideration and attention. This is not a partisan matter. This is an issue where political affiliation is not of concern. It is a matter which is of the utmost importance and which I feel has the support of many of the members of this House. My plea to this House is: do not let this matter die at the end of this hour. This problem has been with us for too long. I urge hon. members to do their utmost to ensure that this resolution, or one similar to it, is passed as soon as possible.

It has been many years since Jean Jacques Rousseau stated, "Let us speak less of the duties of children and more of their rights". It is indeed time that we act, and those who will benefit most from our action are Canada's greatest asset—Canada's children.

The term "battered child" is one which is often used to describe abused or neglected children. Dr. Henry Kempe of the University of Colorado offered this definition of a battered child, "any child who received non-accidental physical injury or injuries as a result of acts or omissions on the part of his parents or guardians".

There are no accurate national statistics on the incidence of child abuse or neglect. Very little is known about the rate or frequency, but child abuse does exist, and this is a fact. David Bakan, a professor at York University, in his book "Slaughter of the Innocents," which was published in Canada for the CBC learning systems by the Hunter Rose Co., at page 4 of that book, which is in the Parliamentary Library, says:

In numerous known and publicly recorded instances children have been victimized by those responsible for their care . . . How prevalent can such occurrences be? Clearly data are hard to come by because only in the most extreme cases do such things come to public notice. Yet available information strongly suggests that the frequency is far greater than one may naively or hopefully imagine.

In fact a committee of the United States Senate was told at a hearing in 1973 that 60,000 children in that country every year were reported abused, some to the point of permanent injury and even death.

In the province of Ontario, for instance, the chief coroner's office records show that from late 1962 to September of this year 116 children died as a result of abuse or neglect. However, after 1966 when provincial legislation was passed making reporting acts of child abuse mandatory, the number of child fatalities in Ontario due to abuse or neglect decreased by about 50 per cent.

It should be noted that only five provinces have laws making reporting cases of child abuse mandatory. It is estimated that the incidence of child abuse in North America is roughly 250 to 300 per million persons per year. If this is the case then the 600 incidents reported last year in Ontario represent only one quarter of the total number of occurrences in this province. Estimates of actual cases of child abuse in Canada per year range from 1,000 to 10,000.

● (1610)

The grim reality of child abuse and the shocking revelations of research in this area must spur us, as law makers, into action. In the past Canadian law makers have largely overlooked this problem. Horrifying examples of abused children, often resulting in death, come to our attention through the news media. However, there are many cases of lesser degree, where children have been beaten or neglected, that go unnoticed. Child abuse is not only characterized by extreme physical beatings but may also include sexual abuse, deprivation of normal and sufficient care and nutrition, and neglect on the part of the parents.

Child abuse is not a new problem. It did not start just a few years ago when a group of physicians found the courage to make public knowledge of it. The bible records many instances of child abuse. For example, the story of Moses, in which Pharaoh ordered that all male Jewish children be cast into the river, may be found in the Book of Exodus, Chapter 1, verse 22. Instead of putting him to death, his mother put Moses in a basket, from which he was recovered by a princess.

The writings of Charles Dickens contain ample examples of child abuse, such as the beating scene in David Copperfield. In England, not until 60 years after an act making cruelty to animals an offence was passed, was an act passed making cruelty to children an offence. This law was passed in 1889.

It is time to re-examine our past efforts to prevent, identify and treat child abuse. It is time to figure out where we have gone wrong and once and for all put an end to the tragic accounts that temporarily jolt us from our newspapers or television sets before we file them away somewhere in the corner of our minds so that we do not have to think about them. The courts have assumed the position that parents are entitled to punish children

within the bounds of moderation, but punishment must be for the child's welfare, without maliciously inflicting traumatic injuries. When punishment becomes unreasonable and traumatic injuries result, the state must intervene and exert its police power on behalf of the children.

I believe that we, Madam Speaker, as law makers must now act. There is no question as to the existence of the problem, nor of the need to find a solution. A problem of such major significance as the battered child requires the organized efforts and co-operation of all concerned persons and agencies for its ultimate solution. The abused child has no advocate. He is handicapped by his physical and mental immaturity. As Professor Bakan stated:

> Child abuse thrives in the shadows of privacy and secrecy. It lives by inattention . . . A reasonable solution to the problem can come about only if there is a large scale acceptance that the welfare of children is of concern to the whole of the society and that the welfare and very survival of the total society critically depends upon the welfare of its children.

The question before us is: are we prepared to use our power as law makers to do our utmost and ensure that appropriate measures are taken, to the best of our ability, to prevent, identify and treat abused children, and to see that such instances do not recur? I say that the answer must be yes. This is one matter which we must recognize. Children have basic rights, the most important of which is the right to be a child. When children are deprived of this normal developmental growth, as are most abused children, unusual and strange things happen to their ability to make decisions, to use others, to trust and to become dependent on someone else. The Universal Declaration of Human Rights adopted by the United Nations General Assembly in 1945 includes the following in Article 5:

> No one shall be subjected to torture or to cruel, inhuman, or degrading treatment or punishment.

Section 2 of Article 25 states:

> Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.

Both these articles, Madam Speaker, which Canada endorsed, apply as much to children as anyone else. Very little is known about the battered child and his world. This, coupled with the fact that child abuse does exist is, I feel, one reason for a committee of this House to study the matter. This proposed study most look into the medical, legal and sociological aspects of child abuse. The logical solution would be to eliminate the problem. However, this appears to be impossible. Since this is the case, we must concentrate on the early case finding as a means of prevention.

The most desirable goal for treatment, of course, is that the child who has been selected for abuse will have it made safe for him to live in his own home. The beginning of the cure, and at times the only cure for the situation, may be removing the attacked child from his dangerous environment.

The great majority of child abuse cases are first seen either in a physician's office or in an emergency room. The manner in which this emergency care of the suspected case of child abuse is handled will set the stage, either for a smooth flowing therapeutic relationship for the child and his family, or for an ineffectual treatment program which often leads to repeated abuse or even death. It is a serious national responsibility to guarantee every protection to our children. We must ensure that cases of abuse are identified and reported, and that proper care is provided for children.

Because these tragedies most frequently occur within the family, it is imperative that cases of abuse be detected as early as possible, so that adequate treatment is afforded to both the abused child and the abusing parent in order to re-unite the family, so that a loving atmosphere can once again be established.

Law, as well as medicine, is concerned with child abuse. The law can never serve the true ends of justice until lawyers and judges alike view the battered child as more than a legal problem. Each must commit himself to the ultimate welfare of the child and parent. An adequate child abuse law, in addition to the usual statement of purpose, definitions and procedural provisions, should include: first, specific reporting provisions, including a mandatory requirement that physicians and medical and hospital personnel, schools and public agencies report suspected cases of abuse. After abrogating the physician-patient confidentiality privilege, the law should encourage reports from individuals, and should grant immunity from civil damage actions to all who make reports in good faith, even reports which prove unfounded.

The law should include, second, well defined responsibility on the part of the police or public welfare agency to require prompt and thorough investigation of all such reports within clearcut channels of referral for the protection of the child; third, the broad jurisdiction of the court to protect any child within its boundaries, regardless of the residence of the parents; fourth, the right of a hospital or protective family to provide emergency care and shelter for a limited time; fifth, the authority for a court to make unilateral orders for temporary removal of a child from a parent, pending the filing of and a hearing on a petition or a complaint of neglect and abuse, where reasonable grounds are shown to justify such action. The law must also provide, sixth, that child abuse may be established by a preponderance of evidence, rather than beyond a reasonable doubt where an infant or child too young to testify on his own behalf sustains unexplained injuries. We should also review our laws forbidding persons from inflicting injuries on children, and urge provincial governments to consider reciprocal and related legislation.

The purpose of the reporting laws mentioned earlier are for the treatment of present injuries and to protect the child from further abuse. It is essential that there be one centralized depository where all cases of child abuse can be reported, to ensure a complete history and aid in the prevention of further abuse. Our laws should be a reflection of our attitudes to children. No simple solutions exist, but there are directions in which we can move. Studies have shown that the battering of children occurs throughout the population, and is not restricted to race, religion, education or socio-economic groups. I believe that we must act immediately to take steps to attempt to solve this problem.

I am not saying that it is feasible or even desirable to separate all abused children from their parents; but I am saying that, as legislators, we must expand our efforts in

this field and take appropriate measures for the prevention, identification and treatment of child abuse and neglect.

This is not a partisan issue. I do not believe that any hon. members who sit in this House are in favour of child abuse in any form. However, we must now show this. We must now show that we are concerned about Canada's children. We must show that we are concerned about their rights, and that the abuse of innocent children will not be tolerated in our country.

Our children are this country's richest resource for the future. We must not allow some of them to be deprived emotionally or physically of their heritage, when it is possible for us to change the situation. We cannot right the wrongs of the past, nor can we right every wrong of the present. But what we can do and what we have a responsibility to do is to act on a situation that has become more prevalent than any of us wish to admit.

Our main business is not to see what lies dimly at a distance, but to do what clearly lies ahead. Of all human resources, the most precious is the desire to improve. I suggest to this House that this is one area which we can improve upon and which we must improve upon. I am not offering a solution to the problem of child abuse. Indeed, there may not be a complete solution, but what I am asking is that we recognize the problem, and that we make an attempt to do something about it by directing the Standing Committee on Health, Welfare and Social Affairs to study and report back to the House its recommendations in respect of appropriate measures for the prevention, identification and treatment of child abuse and neglect, and for such other measures in the same matter as the committee may consider desirable.

● (1620)

The problem exists, and I believe that it has been clearly defined in this House. It has been said that to define a problem is to begin to solve it. I hope this is the case. We have the opportunity to make an attempt to find a solution to this problem. I think we must, but it must be remembered that opportunities carry with them obligations, and this is only too true in this case. Our obligation at the present is to ensure that this resolution, or one similar to it, be passed by this House, and passed as soon as possible.

This is not a matter which should be neglected, and it is not a matter in which political affiliation is of concern. I hope all members of the House will do everything possible to co-operate and ensure that this measure takes effect, and that a committee will indeed look into this matter and report back to this House. Elton Trueblood once wrote, and I quote:

> A man has made at least a start on discovering the meaning of human life when he plants shade trees under which he knows full well he will never sit.

I hope, Madam Speaker, that this is indeed one shade tree that all members of this House can sit under and can take pride in. It can be done, Madam Speaker, but only with the help and co-operation of all hon. members of this chamber.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I shall be just a very few minutes. I commend the hon. member for York-Sunbury (Mr. Howie) on introducing this resolution. I also wish to commend him on the thoughtful and excellent speech he has made in support of it.

[Mr. Howie.]

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I agree with him that this motion ought to pass this afternoon. I am delighted to learn there is a good chance that it will. My contribution toward getting it through will be to make these remarks very brief.

As hon. members realize, there is a fairly wide public awareness of the fact that there is more child neglect and child abuse in Canada than there ought to be in a civilized country. I am sure all of us are embarrassed and ashamed that it takes place in our land. I have the notion that people generally are aware of it and do not like it, but hope that somebody will do something about it. That somebody, of course, is always somebody else.

The hon. member said we are the legislators of this land and it does not fall to us to pass the buck. The least we can do is arrange for a thorough study of this matter in the Standing Committee on Health, Welfare and Social Affairs. I am pleased to give our party's support to this motion.

Hon. Warren Allmand (Solicitor General): Madam Speaker, I want to begin by congratulating the hon. member for York-Sunbury (Mr. Howie) on presenting this motion. This is a subject which has interested me for some time, and one which we have had under study in the ministry of the Solicitor General for several months.

Our three man team studying this matter has developed more than 300 contacts in Canada and the United States. They have travelled in Ontario and British Columbia, and have consulted with local authorities such as Dr. H. B. Cotnam, chief coroner of Ontario, and Dr. S. Segal of the British Columbia Family and Children's Law Commission. In addition they have attended conferences on the subject in Washington, Boston and Victoria, B.C. A policy paper is being developed within our ministry at the present time, and should be ready soon to be presented to the Standing Committee on Health, Welfare and Social Affairs should this motion pass. I might say that I am in favour of having this motion pass. I hope that near the end of the hour we will do just that.

Some hon. Members: Hear, hear!

Mr. Allmand: Generally our feeling is that while cases of child abuse may be prosecuted through either the criminal court via the Criminal Code sections on assault, neglect or sexual exploitation, or through the family courts under the provincial child welfare statutes, the Criminal Code is the less appropriate one. The experience in the United States indicates that state or provincial specific legislation on the subject, defining abuse and creating methods of reporting and handling cases, as well as safeguards for professionals involved, is one good approach.

The federal input in this matter might be to help the provinces with research and demonstration projects, to develop communications among interested groups and

agencies, to promote research on the subject and, in our case, by providing expertise where we are best able, such as in the areas of policing, records management, information dissemination and so on.

It is obvious that most of the initiative must come from the provinces as well as the federal ministries more directly involved, such as Health and Welfare. Unfortunately, little coordinated effort is visible at the present time and it might just be our role to take a lead in focussing attention and effort on child abuse, and then gradually to phase ourselves out if the option of decriminalization is followed.

We might spend some time looking at the definition of child abuse. What exactly is meant by that term? The definitions of child abuse are legion. The problem is not helped by varying degrees of distinction made between physical abuse, sexual abuse and neglect. In medicine, child abuse is generally known by the term "maltreatment syndrome" or "silverman's syndrome", which is more all-inclusive than the definitions usually employed.

In a statement made before the United States Senate subcommittee hearings on senate bill 1191 in 1973, the bill known as the child abuse prevention act, Mr. Henry Kempe, a leading expert in the field, included all children receiving less than reasonable care and protection.

There are three components of child abuse—physical maltreatment, sexual exploitation, and failure to provide the necessities of life. Because the first two are generally manifested more luridly, there is a tendency for the other type of abuse to be less visible. Physicians frequently speak of a failure to thrive syndrome. Infants who suffer from it are malnourished and otherwise underdeveloped, not because of a failure to provide sufficient nourishment, but because the emotional climate of the environment interfered with development in ways which do not yet seem to be precisely understood.

The most complete definition which I have seen to date is that embodied in the child abuse prevention act, which I have referred to, and which decreed that the term "child abuse and neglect" means:

> ... the physical or mental injury, sexual abuse, negligent treatment, or maltreatment of child under the age of 18 by a person who is responsible for the child's welfare under circumstances which indicate that the child's health or welfare is harmed or threatened thereby.

What is the extent of the problem? It is impossible to get even a general idea as to the number and distribution of cases of physical abuse, sexual abuse or neglect. Reporting systems, which operate in only five provinces, have so many loopholes and are so inefficiently managed as to preclude obtaining valid statistics. In fact the only reputable statistics now available in Ontario are those of the chief coroner, Dr. H. B. Cotnam, which at least identify all those unfortunate children who died at their parents' hands.

Estimates of the number of incidents of child abuse in the United States vary widely, and some writers speculate that they may number in excess of 100,000 annually. In the preface to the second edition of their classic compendium on the subject, Kempe and Helfer note that:

> Adequate demographic data which provide up-to-date evidence of the true incidence of significant child abuse in the United States are not available. Comparing current reporting of child abuse under state laws, we find that many communities are running a rate of 375 reports of suspected abuse per million per year. No one has tried to compare the reported rate of suspected child abuse to the actual incidence.

● (1630)

The development and refinement of mandatory reporting laws in every U.S. state has brought the reporting rate closer to the actual rate at a frightening speed. The report of the New York State Assembly Select Committee on Child Abuse of April, 1972, noted that there were some 400 reported cases of suspected child abuse in that state alone in 1966. By 1971 the annual total had climbed to 3,200. It was also noted that at least 1,000 American children died annually from causes attributed to child abuse and neglect.

In Canada, the only major work is by Mary Van Stolk, and she speculated that incidence rates and patterns in this country were likely similar to those in the United States, although she did take a slightly more conservative rate of 225 cases per million population.

The Nova Scotia study on child abuse tended to support Greenland's tentative position as it discovered only 59 cases in a year when Van Stolk predicted a possible 172.

Now there are many questions which can be asked and, as has been suggested, I think we should define more clearly who are the abusers, who are the abused; develop a pattern, and look into the results. We should examine the symptoms of child abuse. We should also find out what happens when a child has been abused, what happens when he goes to the hospital, and what happens when the matter is reported to the police, and so on.

I would like to end my remarks by suggesting some of the things which might be done. I stress that some of the examples which have come to my attention are quite horrifying. In general, suspected incidences of child abuse are treated by the hesitant, ineffective method described in the speech of the hon. member and mentioned by myself. In a very few serious cases where criminal acts are involved the penalty imposed in such proven cases does little for the child and little for the parent.

It is my feeling that a major effort will have to be made by all levels of government, acting with professionals in the fields of social work, medicine, education, and the criminal justice system, to develop new approaches in dealing with child abuse.

I suggest the following list of priority items be looked into: (a) the problem of child abuse must be placed squarely in the public eye as a first step in a massive public education program; (b) the entire question of the legal position of the child and, in particular, his right to protective services must be made the subject of a major study—this is currently being done in the United States; (c) the potential roles and functions of all professions, agencies and levels of government in eradicating child abuse must be analyzed and evaluated; (d) every effort must be made to increase communication and diffusion of knowledge among interested persons, particularly professionals, and assistance must be given to voluntary groups, such as Parents Anonymous; (e) a comprehensive review of federal and provincial legislation governing the provision of protective services to children and rehabilitative services to parents, with a view to providing new legisla-

tion which will perform both functions effectively; (f) particular attention must be paid to the role of police forces—this is one glaring omission in the American literature which is available at this time, and I suspect it has its roots in the particular position into which the police forces in that country have been forced, as well as the traditional antipathy between law enforcement and social work; (g) the final main task will be to put all the pieces together.

This will be a truly massive undertaking, but one which must be tackled in co-ordination by all the agencies concerned.

What role can the Department of the Solicitor General play in this matter? First we should realize that our interest is from the viewpoint of law enforcement. Child abuse is a criminal offence and we are very much concerned because of the extensive commitment of the RCMP. Second, it seems apparent that the incarceration of child abusers is not the answer. The approach has to be one of diversion, one in which we are taking an active interest and in which we probably have as much expertise as any other agency in Canada. Third, it seems that a nationally co-ordinated mandatory reporting system will be required. The RCMP seems to be one of the very few agencies in Canada with the expertise to provide such a service.

What can we do to assist in the development of appropriate approaches to child abuse? We should recognize, first of all, that the main source of funding and expertise will have to come from other departments, and probably from other levels of government. I think the role of my own department would be limited to that of providing expertise on such subjects as the police, record-keeping and the dissemination of information, as well as in facilitating communication and consultation between the agencies, levels of government and individuals concerned with the problem.

Finally, by playing a leadership role, and encouraging study and discussion of the problem, particularly in the federal government, and by the formation of inter-governmental, multi-disciplinary task forces, we will be able to develop new approaches to the problem.

I said at the beginning of my remarks that I support the hon. member's motion and I would like to see it passed by the House before the end of the hour.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Gérard Laprise (Abitibi): Madam Speaker, I would like to thank the member for York-Sunbury (Mr. Howie) for having introduced such a motion and congratulate him for the the way he stood up for it, because I realize that this motion will be passed and I agree.

I am more particularly pleased because I listened carefully a while ago to the speech of the Solicitor General and I am happy to see that he also agrees. He has in a way laid down the line of conduct on which the Standing Committee on Health, Welfare and Social Affairs may base its proceedings.

We have found that unfortunately, even if we live in a highly civilized country, there are still people who batter children in one way or another. I think that ways must be found to protect those children.

As the father of an average family of ten children, I think I can understand the motion of the hon. member, and this is why, together with my colleagues, I must use every possible means to prevent situations similar to that we were made aware of not a very long time ago when a child was confined in a closet. Neighbours called the police because of the nauseating smell which was emanating from the dwelling.

Such situations should not occur in civilized countries such as ours, and I feel that this is a good motion which should be adopted. The committee set up to examine these cases and others of child abuse or negligence may recommend the necessary proposals for the corrective means to prevent similar incidents from occurring again in the future.

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, I want to thank you for giving me an opportunity to take part in the debate and my first words will be to assure my colleague who took the initiative of presenting the motion of my whole support.

I should like to make a few comments supplementary to the statement of the Solicitor General of Canada (Mr. Allmand). As we know, Madam Speaker, the public is now and then made aware of cases of child abuse, either because cases are brought to court or still because some professional groups take the initiative of organizing symposiums on the matter. The last one we have been able to attend was the one held by the Criminology Institute of the University of Montreal and the Association of Women Graduates of the University of Montreal, on October 21 last. At that symposium, a brief was presented redefining the overall context of the problem we are discussing today. Previous speakers, mentioned the difficulty of determining the incidence of child abuse in our country each year.

Now, Claire Dutrisac, an editor for *La Presse*, wrote this in the issue of October 24, 1974, and I quote:

> In Quebec alone there are 1,800 abused children each year, children who are ill treated, beaten, underfed, dehydrated. In Montreal alone, there are 750 such children.

This demonstrates, Madam Speaker, how widespread this problem is. Another editor for a newspaper, the *Montreal-Matin*, said the following in the October 26, 1974 issue, and I quote:

> Every day, children aged from 2 months to 10 years are mutilated by parents who lie when a physician confronts them with their brutality and who evoke their privileges as parents in order to escape a justice which is inoperative in the case of these children.

Madam Speaker, the time has come for the government in co-operation with all hon. members to review all legislation in that field. I not not agree fully with the commissioners of the Canadian Conference on the Standardization of Legislation who broached the subject in August 1969 and concluded, having terminated their work, that one of the solutions lies in furthering the education of the public. Not that I maintain, Madam Speaker, that we should not do so, among other things, but I trust it will not be the sole means resorted to.

The government of the province of Quebec tabled a tentative Bill of Rights, which now carries the number 50

of the Quebec Legislative Assembly; clause 36 provides that:

Every child has a right to the protection and security that his family or the persons who replace it must ensure him.

Clause 44 of the same draft stipulates:

Illegal attack on a right or freedom recognized by this Charter entitles the victim to seek an end to the attack and reparation for resulting prejudice, moral or material.

Madam Speaker, the last work I have had a chance to consult is a volume published by the Canadian Mental Health Association. The book is entitled "In the Defence of Children's Rights". I quote from that volume because two of its articles, especially, are signed by persons who are well known in the field of social welfare. One of the co-signers, Mr. Claude Castonguay, formerly Social Affairs Minister in the Quebec government, writes on page 6, quote:

● (1640)

It is unthinkable that a battered child would remain at the mercy of those who mistreat him because the legislation does not provide enough security for those who might protect him.

All those points may appear interesting to citizens. The problem is their interest remains passive or transient.

And this is precisely where I wish to draw my colleague's attention. When the case of an abused child is brought to the courts—and I will come back to the last case examined by the courts of the province of Quebec, namely a judgment rendered November 12, 1974—tabloids seize that opportunity to publish scoops, report evidence and the judge's sentence, and a few weeks later the whole matter falls dead, until a new sensational case stirs up the emotions of the organizations concerned.

I believe the time has come for a complete revision of our philosophy on the child's fundamental rights, I quote another article from the same book by the Canadian Association for the Mentally retarded:

Dr. Eugene Brody, a professor in the Department of Psychiatry of the University of Maryland refers to the child's seven (7) fundamental rights as established by a United States Commission or joint Conference on the Mental Health of Children.

However, Madam Speaker, when one tries to find out at what time in history the rights of parents or their power over children were expressed, one has to go as far back as the history of roman law, of which I take the liberty of quoting a famous phrase:

Patria potestas in pietate debet non in atrocitate.

. . . in other words . . .

. . . (the power of parents must be exerciced with love and not cruelty)

I should like to point out to you, Madam Speaker, that that phrase did find its place in our legislation. Indeed, Criminal Code's Section 43 is essentially based upon this maxim. As you know, Section 43 reads as follows:

Every school teacher, parent or person standing in the place of a parent is justified in using force by way of correction toward a pupil or child, as the case may be, who is under his care, if the force does not exceed what is reasonable under the circumstances.

However, the legislator realized quickly that certain people in charge of children committed abuses repeatedly. This is why, Criminal Code's Section 200 stipulates that these offenses are punished.

However, Madam Chairman, we can easily see that Section 200 in its present form is inefficient. In fact, this article says:

Every one who unlawfully abandons or exposes a child who is under the age of ten years, so that its life is or is likely to be endangered or its health is or is likely to be permanently injured, is guilty of an indictable offence and is liable to imprisonment for two years.

However, Madam Chairman, we cannot ignore Section 204 which reads as follows:

Every one who by criminal negligence causes bodily harm to another person is guilty of an indictable offence and is liable to imprisonment for ten years.

Yet, we have the ambiguous situation where a person who commits a criminal offense on a child is liable to a lesser penalty than one who commits the same criminal offense on an adult or a nubile person.

Madam Chairman, I think this is one of the facts that the committee should be instructed to investigate as it should study the necessity to revise the proposed bill on human rights which has already been mentioned during previous constitutional conferences, a bill that would contain specific provisions regulating the seven fundamental rights of the child mentioned by Professor Brody in his recent publication.

I believe, Madam Speaker, that since 1971, since such a motion was presented in the House for the first time, the Canadian provinces made progress in a way which allows us to hope that action in this area can be concerted between the federal and the provincial governments.

I take as an example bill 65 which was passed by the Quebec National Assembly in 1973, and which contains a section, Section 4, making it mandatory for anyone who is aware of an act of child's abuse to report the case to a Quebec court. Therefore, whether a parent, professor, baby sitter or teacher, any person aware of negligence toward a child must report the fact to a court of justice.

Let me refer also to the New Brunswick Child Welfare Act, under whose section 24 any person must report negligence toward a child. The same goes for section 49 of chapter 37 of Newfoundland statutes, whereby every person must report within seven days, any offence in this respect to the authority responsible for youth. The same applies in Manitoba, Saskatchewan and British Columbia.

Madam Speaker, I believe this issue, in addition to being of concern to provinces, should also be brought to federal attention. I will conclude my remarks with the main features of a brief submitted by the Society of Criminology of the University of Montreal and the Association of Women Graduates in October last. The brief is interesting, Madam Speaker, to the extent it emphasizes prevention rather than repression. While it is easy to pity abused children, and especially when one considers instances of injuries to them and their lack of defence, I believe it is more important to act before violations are committed, and instruct future parents of their eventual role, so that they will not commit what we wish to prevent.

This brief by the Association of Women Graduates tells readers that the best way of preventing abuse is future parent education. It is said on page 9 of the brief that courses in parental responsibility should be given in schools. It is also stated that assistance should be given to

parents, for instance, by public nurseries and family workers, to help them discharge their responsibilities.

Madam Speaker, we know that most delinquent parents are parents who either have broken bounds or whose home is very unsteady following the desertion or even the imprisonment of one of the spouses, or still parents in situations where one of the spouses indulges in the use of drugs or alcohol or fails in his or her task of properly running the household.

Madam Speaker, if the government can provide additional means to allow those parents to fulfill their roles by encouraging the setting up of a day care center system, by urging the provinces to do everything within their jurisdiction in this area, by promoting the establishment of family assistance services, we will make it possible for parents, who in other circumstances could leave their children on their own, to look after them.

I would also like, Madam Speaker, to mention an initiative that seems to me to be most innovative, that is the formation of mutual assistance groups for high risk parents. I think we know about the formation of groups to help anonymous alcoholics. They operate on about the same principles, that is people helping parents faced with those situations before they become delinquents. Those groups offer parents the necessary consultation and support services to prevent negligences from happening.

And I would like to bring to the attention of this House the existence of that society because I think it is an initiative that has not yet spread throughout the country and which deserves that kind of spreading that the Canadian Conference on the Standardization of Legislation mentioned in its report of 1969. That society, Madam Speaker, is called the "Société québécoise de protection de l'enfance et de la jeunesse." It is composed of parents whose purposes are to bring together and organize the services of people wanting to work on a voluntary basis to help and protect children and youth in the province of Quebec.

Its object is to provide means and services to children or families requesting them, while defending by all possible means the rights of children, of the young and of the family. Those parents are organized on a voluntary basis, there is a reception committee to take phone calls and reply to letters. A mobile team of men and women visit parents at home to advise them and help in the guidance of problem children or wayward or unamanageable children in a normal family and those teams provide homes whenever children have difficulties.

As you are aware, Madam Speaker, this is a relatively new public responsibility and I believe the work that the Standing Committee on Health, Welfare and Social Affairs will be able to do will lend an effective hand to this provincial service that was established in recent years.

It is a pleasure for me to support the motion of my colleague and to urge the Solicitor General of Canada (Mr. Allmand) to pursue his efforts to adjust our laws to the modern context.

● (1650)

[*English*]

The Acting Speaker (Mrs. Morin): Is the house ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): The question is on the motion, as amended, in the name of the hon. member for York-Sunbury (Mr. Howie). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion as amended agreed to.

Mr. Knowles (Winnipeg North Centre): Call it five o'clock.

The Acting Speaker (Mrs. Morin): Is it agreed that we call it five o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): It being five o'clock I do now leave the chair until Monday at 2 p.m.

At 4.56 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, December 9, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT AND COMMUNICATIONS

MOTION FOR CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE—RULING BY MR. SPEAKER

Mr. Speaker: Order, please. The motion of the hon. member for LaSalle-Émard-Côte Saint-Paul (Mr. Campbell) for concurrence in the second report of the Standing Committee on Transport and Communications came into question some time ago, and, a time having been set aside for discussion thereof, the Chair has now had an opportunity to consider all the worthwhile contributions which have been made as to its procedural acceptability.

Hon. members will want to understand clearly that the difficulty arises from the fact that the committee had before it Bill S-11, a private bill dealing with the recapitalization of the British Columbia Telephone Company. Standing Order 91 requires the payment of fees prior to any consideration of such a bill by a standing committee. The fee varies according to the capital structure of the company and in this case involves some $200,000. In compliance with the Standing Order 91 the said sum was paid to the Clerk of the House while the bill was under consideration at second reading, and in further compliance with the Standing Order the Clerk of the House transferred the funds to the Receiver General upon the passage of the motion for second reading in order that the committee stage could proceed. The committee thereupon considered the bill and reported to the House in its third report the passage of the bill without amendment. On November 28, with one amendment upon unanimous consent, the bill was given third reading by the House.

Because there is a measure before the House to change the procedures applicable to this kind of recapitalization—Bill C-29, an act respecting Canadian business corporations—which would alter or eliminate such fees, the committee considered the question of the refund of the fees to the applicant corporation and in its second report, the subject matter of the motion under discussion, unanimously recommended that the fees be held in abeyance. The question, of course, is whether it is within the competence of a standing committee to make such a recommendation when its order of reference is a bill.

The governing citation is citation 304, Beauchesne's Fourth Edition. There is, in the view of the Chair, no room for doubt or question about this citation and it has been reinforced on numerous occasions both in respect to bills and the study of estimates. A committee may only consider those matters which have been committed to it by the House and is bound by, and does not have liberty to depart from, the order of reference. It is equally clear that the recommendation contained in the report under discussion deals with the application of a Standing Order of the House and is totally outside the terms of the bill, and therefore, unless the arguments put forward by the distinguished chairman, the hon. member for LaSalle-Émard-Côte Saint-Paul, can persuade me otherwise, I would have to hold the report out of order.

● (1410)

I have carefully reread both citations referred to by the hon. member, Beauchesne's Fourth Edition, citation 304, and Bourinot's Fourth edition, at page 469, with particular attention to the two sentences emphasized by the hon. member, the first being:

Consequently, if a bill be referred to a select committee it will not be competent for that committee to go beyond the subject matter of its provision.

This first sentence seems to me directly to contradict the hon. member's argument and to support the principle outlined in Beauchesne's citation 304. The second sentence, "No such restrictions apply to committees on private bills . . .", refers not to the authority of the committee but to limitations by way of direction which may be contained in an order of reference, and therefore not applicable to the present circumstances.

The hon. member's reference to Bourinot at page 603 relates to a number of cases prior to the turn of the century, in which the committee to which the bill was referred, recommended the refund of the fee. Quite a number of examples were cited and I have taken the time to examine each one individually. The following conditions existed in every case which do not apply to the present circumstances. First, the Standing Order in respect to fees had been fully complied with. Second, the committee had completed consideration of the bill. Some special facts had come to light during committee stage, so that the bill was withdrawn or materially altered, or, in the alternative, the committee became aware of special circumstances in relation to the introduction of the bill; for example, the fact that the bill was not to the advantage of the proponent, but rather that it had been required by the operation of law. Then, and only then, did the committee recommend the refund on the basis of an existing circumstance or condition.

None of these relates to the present bill, and to hold that, by analogy, a committee could, prior to the passage of a bill, recommend the suspension of the Standing Orders as opposed to compliance with them on the basis of possible passage in the future of other legislation would, in my opinion, in the existing circumstances be a totally unwarranted distortion of these precedents. I should also add that these distinctions are consistent with present day

requirements of Standing Order 99, that the refund motion cannot be moved until committee stage of the bill has been finalized.

The hon. member's reference to Bill C-104 in 1967 in respect of the Bell Telephone Company is clearly distinguishable, because in that case the standing committee had before it a bill which it could not consider by reason of Standing Order 91 unless the appropriate fees had been paid. The applicant had paid the fees in the previous session when the bill was introduced but not finalized, and the committee simply sought the direction of the House that the payment in the previous session would apply in respect to the bill before it. Having obtained such direction the committee then proceeded to consider the bill, a situation totally distinct from the one before us now.

In respect to the hon. member's reference to the Matador Pipe Line Bill C-16 in 1960, again the committee's recommendation was necessary for the calculation of the fees which were required to be paid as a condition precedent to consideration of the bill. It must also be noted that in that case the motion for concurrence was put in the House by unanimous consent, which, of course, eliminates any consideration of it as a precedent.

The hon. member makes two further suggestions. Firstly, he suggests there is no precedent for setting aside committee reports where this sort of difficulty exists. With due respect, I would refer the hon. member to citation 323 of Beauchesne's Fourth Edition as well as a ruling of the previous Speaker, Speaker Lamoureux, as reported December 20, 1973 and March 24, 1970.

Secondly, the hon. member suggested that to rule against the acceptability of this report will deprive hon. members of their rightful opportunity to express themselves in committee deliberations, both in respect to legislation in general and on this particular suggestion of refund of fees in particular; but, with respect, I must disagree with both contentions. Hon. members can, of course, influence the terms of reference to the committees, and in any case have ample opportunity to express themselves on matters of legislation through the introduction of amendments.

In respect of this particular case, far from depriving hon. members of an opportunity to bring about a refund of the fees, it seems clear now that the bill has been passed that the proper procedures are envisaged in Section 16 of the Financial Administration Act and outlined in Standing Order 99. Whether the House would give its approval pending or upon passage of Bill C-29, there can be no doubt that the procedures exist for the necessary motion either now or at that time.

Accordingly, I must hold that the recommendation of the Standing Committee on Transport and Communications, contained in its second report, is totally beyond the terms and provisions of Bill S-11 and, therefore, beyond the scope of its order of reference, and the motion for concurrence cannot be put.

[Mr. Speaker.]

IMMIGRATION

SUGGESTED EXCLUSION FROM CANADA OF ALEXANDER GRESKO—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to the provisions of Standing Order 43 I rise to propose a motion on a matter of urgent and pressing necessity. In view of the fact that Alexander Gresko was deported from Great Britain as a high level Russian espionage agent in 1971, and currently serves as Russian liaison officer for the forthcoming Olympic games, and in view of the fact that the 1976 Olympics are being staged in this country, creating intensive security precautions, notwithstanding our own national security and that this incident has already gone so far as to offer this Soviet spy access to the Prime Minister's office, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That this government for the sake of national security be instructed to seriously consider declaring Alexander Gresko persona non grata and refusing him any further entry to this country.

Mr. Speaker: Order, please. The House has heard the terms of the motion. It being proposed pursuant to Standing Order 43 it cannot be debated without unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

BUSINESS OF THE HOUSE

SPECIAL ORDER RELATING TO ALLOTTED DAY

Hon. Mitchell Sharp (President of Privy Council): Mr. Speaker, I rise for the purpose first of announcing a change in the business for today and, secondly, to propose a special order relating to the business tomorrow.

Today the first business will be the resumption of consideration in committee of the whole of Bill C-32, the petroleum administration bill. At 8 p.m., because of the necessary absence from the House of my colleague, the Minister of Energy, Mines and Resources (Mr. Macdonald), on government business we will call Bill S-12, an act to amend the Immigration Act.

Tomorrow, as the House knows, is an allotted day. Following discussions among House leaders it has been agreed that the day should be devoted, as the Leader of the Opposition (Mr. Stanfield) suggested, to the consideration of the question of conflict of interest, following more or less the lines of the motion which is now on the order paper. However, I propose a small change in that proposed reference to meet the views of hon. members of the House, in that the reference should be to the Committee on Privileges and Elections rather than to the Committee on Justice and Legal Affairs.

Accordingly, I propose the following special order:

That the Green Paper entitled "Members of Parliament and Conflict of Interest" tabled on November 27, 1974, be referred to the Standing Committee on Privileges and Elections; and

That, after the committee has concluded its deliberations and submitted its report on the aforementioned matter, it be authorized to consider and make recommendations upon the subject-matter of ministers and conflict of interest and public servants and conflict of interest.

That any question or questions necessary to dispose of the said motion and any amendments thereto be put at 9.45 p.m., December 10, 1974;

That, immediately following the disposal of the said motion, the House proceed to the consideration and disposal of any motion or motions and bill or bills based thereon with regard to the business of Supply in the same manner as if December 10, 1974 had been an ordinary allotted day pursuant to Standing Order 58;

That for the period ending March 26, 1975 there be eight allotted days pursuant to Standing Order 58;

And that the Order of the Day "Government Business, number 7" appearing on page 10 of the Order Paper today be discharged.

● (1420)

That is the special order. I can perhaps explain the final paragraph by saying that the reference which appears as No. 7 does refer to a reference to another standing committee and that is why it must be discharged.

Mr. Baldwin: Mr. Speaker, there have been consultations and the order is acceptable to us. I think I should supplement the rather grudging expression of gratitude to the opposition that the minister has made by saying that in order to facilitate the business of the House Her Majesty's Loyal Opposition has lent tomorrow to the government and has deferred one of the opposition days until the next semester. I thought the House should understand that in our anxiety to see the proper business of this country proceed we have agreed to this course.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the motion as read out by the President of the Privy Council (Mr. Sharp) does represent the points on which we agreed. We are, therefore, prepared to support the motion. I wonder if there is a slight oversight in the next to last paragraph in that it adds an eighth day to the next period but does not take one away from the current period.

Mr. Speaker: Order, please. I would presume it is not possible to take any more days away from the current period because it ends tomorrow.

[*Translation*]

Mr. Fortin: Mr. Speaker, the arguments of the President of the Privy Council (Mr. Sharp), and the essence of the motion, are precisely what the four parties have agreed upon. Consequently, we respect the agreement.

[*English*]

Mr. Speaker: Order, please. The House will understand that for several reasons such a motion can be made at this time only with unanimous consent of the HOuse. I would ask therefore, does the House agree to the terms and conditions of this motion and is it to be so ordered.

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

Mr. John M. Reid (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 15, 148, 187, 305, 345, 359, 405, 406, 409, 443, 444, 548, 608, 624, 659, 664, 679, 685, 718, 726, 774, 795, 796 and 849.

Mr. Speaker, if question No. 8 and starred question No. 197 could be made orders for return, these returns would be tabled immediately.

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

TAX EXEMPTION FOR SUPPORT OF RELATIVES OUTSIDE OF CANADA

Question No. 15—**Mr. Reynolds:**

Is it possible for Canadian residents to send money out of Canada to support relatives and deduct this money from income before calculating their tax payable and, if so (a) how much can they send (b) what is the maximum amount deductible (c) what proof is there that the money actually leaves Canada?

Hon. Ron Basford (Minister of National Revenue): Yes. (a) There is no limit on the amount that a taxpayer may send out of the country to support a person but there is a limit on the amount he may claim as a personal exemption in respect of that person. (b) The deduction is limited to the amount actually expended in support or if the dependant is under 16 years of age, $300 less one-half his net income, if any, in excess of $1,100, or, if the dependant is 16 years of age or over, $550 less his net income in excess of $1,150. (c) The act does not specify what proof of payment is required. However, the act does provide the general authority that a taxpayer wishing to claim a deduction from his income must be prepared to substantiate his claim with receipts or vouchers. The department has administrative rules that require a taxpayer claiming an exemption in respect of a non-resident dependant, to complete and attach to his income tax return, form T1E-N.R. This form stipulates that the taxpayer must submit as proof of support cancelled cheques, bank funds transfer receipts, bills, receipts or other documentary evidence of cash remittance or value of parcels sent directly to the dependant and not an intermediary third party.

DEPARTMENT OF NATIONAL REVENUE EMPLOYEES IN RECEIPT OF REMUNERATION IN EXCESS OF $20,000

Question No. 148—**Mr. Herbert:**

How many public servants in the Department of National Revenue received T4 slips for 1973 showing gross remuneration in excess of (a) $20,000 (b) $30,000 (c) $40,000?

Hon. Ron Basford (Minister of National Revenue): Departmental personnel records indicate that in 1973: (a) 901; (b) 33; (c) One.

Order Paper Questions

REVENUE FOR FUTURE INCOME TAXES AS REPORTED BY CORPORATIONS IN CANADA

Question No. 187—**Mr. Orlikow:**

What reserves for future income taxes have corporations set aside since 1968 as reported to the Department of National Revenue or Statistics Canada and shown up to 1968 in their reports on Corporation Financial Statistics?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The reserve for future income taxes as reported by corporations in Canada (excluding insurance carriers, co-operatives, crown corporations and tax exempt corporations) and as defined in "Corporation Financial Statistics" for years 1968 to 1971, the latest year available, were as follows:

	Reserve for future income taxes	Increase
	$000,000	
1968	2,700	
1969	3,214	434
1970	3,658	444
1971	4,172	524

NUMBER OF COMPANIES IN OKANAGAN BOUNDARY CONSTITUENCY

Question No. 305—**Mr. Whittaker:**

1. What is the estimated number of companies or industries in the constituency of Okanagan Boundary?

2. What is the approximate division of this investment capital?

3. (a) In what areas is the foreign investment (b) what are the estimated amounts of these investments?

4. How do these figures compare (a) with those 1968 to 1974 inclusive (b) to that of surrounding areas in British Columbia?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1. The estimate of manufacturing establishments in the constituency of Okanagan Boundary in 1971 (the latest year for which data are available) is 170, as compared to 3,302 for the province of British Columbia.

2, 3 and 4. Statistics Canada cannot provide answers to these questions as immense quantities of time would be required to provide this information which is not readily available. Moreover, prior to 1971, British Columbia district boundaries, which are used as coding boundaries for statistical records, do not match well with the electoral district of Okanagan Boundary and therefore it would be difficult to make an estimate of manufacturing establishments prior to 1971 within the electoral district.

CONSUMER MILK SUBSIDY

Question No. 345—**Mr. Coates:**

1. (a) On what date was a consumer milk subsidy made available to residents of Nova Scotia (b) in what amount (c) for what period of time?

[Mr. Basford.]

2. Has the government announced a phase-out of this consumer milk subsidy and, if so (a) on what date did the proposed phase-out begin (b) on what date will it conclude?

3. (a) Was the Government of Nova Scotia informed of the proposed phase-out of the subsidy and, if so, on what date (b) did the government receive complaints from the Government of Nova Scotia, through any of its ministries, against the proposed government phase-out of the subsidy and, if so (i) on what date or dates were such complaints directed to the government (ii) by whom (iii) in what form?

4. Were any complaints against the proposed phase-out of the consumer milk subsidy directed to the Minister of Agriculture by the Nova Scotia Minister of Agriculture and Marketing at the federal-provincial conference of Agriculture Ministers held in Winnipeg, Manitoba?

Hon. E. F. Whelan (Minister of Agriculture): 1. (a) October 1, 1973. (b) Five cents per quart on fluid milk; 20 cents per pound on skim milk powder. (c) One year.

2. A phase-out of the fluid milk portion of the subsidy has been announced. The subsidy on skim milk powder has been increased by four cents per pound and will continue. (a) October 1, 1974. (b) December 31, 1974.

3. (a) Yes, August 15, 1974. (b) Yes. (i) September 9, 1974 (ii) T. A. Murray, Secretary, Manager, Nova Scotia Dairy Commission (iii) Telex.

4. At the time of the Conference, no announcement had been made in respect of the phase-out of the subsidy.

NUMBER OF PUBLIC SERVANTS EMPLOYED OUTSIDE THE SERVICE

Question No. 359—**Mr. Herbert:**

1. How many public servants are known to have other employment while employed on a full-time basis by (a) the Ministry of State for Urban Affairs (b) the Department of the Environment and Fisheries (c) the Department of Public Works (d) the Department of Labour (e) the Department of National Revenue?

2. How many of these have ministerial approval?

Hon. Mitchell Sharp (President of Privy Council): 1. The Ministry of State for Urban Affairs, the Department of the Environment and Fisheries, the Department of Public Works, the Department of Labour and the Department of National Revenue have no record of full-time employees known to have other employment.

2. Not applicable.

NEW HORIZONS PROJECTS IN ABITIBI CONSTITUENCY

Question No. 405—**Mr. Laprise:**

1. Since the inception of the New Horizons Program (a) what are the names and numbers of each project in the constituency of Abitibi (b) what projects were accepted (c) on what date (d) in what amounts?

2. Were any projects rejected and, if so, for what reason?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Since the inception of the New Horizons Program to this date, (a) The requests for funding received from groups in the constituency of Abitibi are listed below by project number and name of organization:

Project Number	Name of Organization
4–00034	Club de l'Age d'Or de Duparquet
4–00057	Club de l'Age d'Or paroisse Notre-Dame
4–00119	Le Club de l'Age d'Or La Sarre
4–00120	Club de l'Age d'Or St-Jean-Macamic
4–00143	Le Club de l'Age d'Or de St-Janvier
4–00236	Club d'Age d'Or St.-Bruno
4–00251	Club d'Age d'Or Ste-Thérèse d'Amos
4–00332	Club d'Age d'Or de Duquy
4–00388	Club d'Age d'Or Val-Paradis
4–00448	L'Age d'Or Notre-Dame
4–00488	Le Club du Bon Temps
4–00574	Club d'Age d'Or Saint-Pierre de Taschereau
4–00591	Les Coeurs Joyeux du Troisième Age
4–00663	Club d'Age d'Or de Val St-Gilles
4–00769	Comité d'Age d'Or Villemontel
4–00828	L'Age d'Or de Clericy
4–00853	Club des Loisirs pour Personnes Agées
4–00987	Club d'Age d'Or Ste-Germaine
4–A1031	Club d'Age d'Or de Duparquet
4–01113	Le Club d'Age d'Or de Normetal
4–01208	Pensionnaires du Foyer de l'Age d'Or Inc.
4–A1277	Club d'Age d'Or St-Jean-Macamic

(b), (c) and (d) The projects approved for funding in the constituency of Abitibi to this date are shown below by number, name of organization, amount approved and date approved:

Project Number	Name of Organization	Amount Approved $	Date Approved
4–00034	Club de l'Age d'Or de Duparquet	5,785.00	17/ 1/73
4–00119	Le Club d'Age d'Or La Sarre	11,600.00	20/ 3/73
4–00120	Club de l'Age d'Or St-Jean-Macamic	4,425.00	17/ 1/73
4–00143	Le Club d'Age d'Or de St-Janvier	6,000.00	31/ 3/73
4–00236	Club d'Age d'Or St-Bruno	972.00	13/ 6/73
4–00251	Club d'Age d'Or Ste-Thérèse d'Amos	3,085.00	23/ 7/73
4–00332	Club d'Age d'Or de Duquy	9,860.00	28/ 3/73
4–00388	Club d'Age d'Or Val-Paradis	2,105.00	13/ 9/73
4–00488	Le Club du Bon Temps	6,123.00	10/10/73
4–00591	Les Coeurs Joyeux du Troisième Age	1,000.00	16/ 5/74

2. So far no projects have been rejected in the constituency of Abitibi. Projects number 4-00057 and 4-00448 were withdrawn by the groups.

FINANCIAL PARTICIPATION BY GOVERNMENT IN CONSTRUCTION OF AUTHIER-NORD-JOUTEL ROAD

Question No. 406—Mr. Laprise:

Has the Government of the Province of Quebec requested and obtained financial participation by the government in the construction of the Authier-Nord-Joutel road in Abitibi and, if so, in what amount?

Hon. Mitchell Sharp (President of Privy Council): The Government has not received an official request from the Province of Quebec concerning the construction of the Authier-Nord-Joutel road, and has not participated financially in this project.

CMHC—RESEARCH MONEY TO BUILDING EXPERIMENTAL SOLAR HOUSES

Question No. 409—Mr. Johnston:

Will the Minister of State for Urban Affairs give a high priority to any request from the Central Mortgage and Housing Corporation for research funds that follow on the request of Professor Robert Swartman that CMHC direct research money to the building of 20 experimental solar houses in various parts of Canada?

Hon. Barney Danson (Minister of State for Urban Affairs): I am informed by Central Mortgage and Housing Corporation that Professor Robert Swartman has not submitted an application for research funds. The corporation is well aware of the importance of developing alternative sources of energy and thus would give high priority to the evaluation of applications for research funds in this important new field.

NUMBER OF HERDS OF CATTLE QUARANTINED AS A RESULT OF BRUCELLOSIS IN EACH PROVINCE

Question No. 443—Mr. Cossitt:

According to latest available Department of Agriculture figures, by province (a) how many herds of cattle have been in quarantine because of brucellosis since January 1, 1973 (b) what is the estimated number of cattle involved in such quarantine (c) how many cattle have been destroyed and what compensation has been paid since January 1, 1973 because of the disease (d) what would be the estimated market value of destroyed cattle if such animals had not contracted the disease?

Order Paper Questions

Hon. E. F. Whelan (Minister of Agriculture):

	(a) Herds Quarantined	(b) Estimated Number of Cattle Involved	(c) Number Cattle ordered slaughtered	Compensation awarded $
British Columbia	23	1,347	156	51,572
Alberta	56	10,621	3,531	648,882
Saskatchewan	268	24,000	6,790	1,117,790
Manitoba	90	9,874	1,767	280,224
Ontario	453	25,000	4,354	905,542
Quebec	290	12,994	1,848	327,325
New Brunswick	5	173	5	837
Prince Edward Island	1	76	6	1,200
Nova Scotia	5	257	5	756
Newfoundland	—	—	—	—

(d) The department does not have this information.

NUMBER OF HERDS OF CATTLE QUARANTINED IN ONTARIO CONSTITUENCIES

Question No. 444—Mr. Cossitt:

1. As of this date, how many herds of cattle are quarantined because of brucellosis and what is the estimated number of cattle involved in such quarantine in the Ontario counties of (a) Leeds (b) Lanark (c) Grenville (d) Dundas (e) Carleton?

2. How many cattle have been destroyed in each of the aforementioned counties since January 1, 1973 because of brucellosis and (a) what is the total compensation paid in each county as a result (b) what would be the estimated market value of destroyed cattle in each county if they had been free of the disease?

Hon. E. F. Whelan (Minister of Agriculture): 1.

	Number of herds Quarantined	Estimated Number of Cattle Involved
(a) Leeds	16	1,050
(b) Lanark	3	141
(c) Grenville	1	35
(d) Dundas	24	1,700
(e) Carleton	90	6,356

2. (a)

	Number of cattle ordered slaughtered	Compensation awarded $
(a) Leeds	131	27,949
(b) Lanark	27	5,483
(c) Grenville	6	804
(d) Dundas	193	41,356
(e) Carleton	1,115	248,195

2. (b) The department does not have this information.

QUALIFICATION OF CBC STAFF

Question No. 548—Mr. Towers:

1. What is the status or category of the position of the person or persons who decide (a) the types of programs to be produced (b) the actual content (c) the cost of each program of CBC?

2. Who edits the daily CBC news reports?

3. What are the required qualifications to fill each position referred to above?

4. During the past two years (a) how many new employees have been taken on staff by CBC at headquarters (b) how many of CBC headquarters' staff (i) resigned (ii) were requested to leave (iii) were transferred (c) what are the names and qualifications of CBC staff hired?

[Mr. Cossitt.]

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. (a) Program directors, national and local; (b) Area heads and producers; (c) Those named in (a) and (b) working in concert.

2. News editors under the direction of news supervisors.

3. Producers must have demonstrable capacity in program conception, production (including budget control) and direction. Area heads and program directors would normally be expected to have considerable program production and administrative experience to allow them to carry out the supervisory functions stated in question one. The prime requirement for news editors is university graduation or equivalent in experience, plus a minimum of three years in the journalistic field. This latter could be acquired in newspapers, news agencies such as *Canadian Press* or in private radio or television. For news supervisors the same qualifications apply except that minimum journalistic experience is usually ten years.

4. (a) 56; (b) (i) 37 (ii) two (iii) eight; (c) It has not been customary to require the CBC to supply such details of its internal management and administration.

DOLLAR VALUE OF COINS IN CIRCULATION

Question No. 608—Mr. Lambert (Bellechasse):

1. As of January 1, 1972, what was (a) the dollar value of .01, .05, .10 and .25 coins in circulation (b) the value, in millions of dollars, of the bank notes in circulation?

2. As of January 1, 1974, what was (a) the dollar value of .01, .05, .10 and .25 coins in circulation (b) the value in millions of dollars of the bank notes in circulation?

Hon. Mitchell Sharp (President of Privy Council): I am informed by the Royal Canadian Mint and the Bank of Canada as follows: 1. (a): .25 Silver, $132,276,462.25; .25 Nickel, $67,532,406.50; .10 Silver, $77,700,289.10; .10 Nickel, $27,224,802.50; .05 Silver, $4,470,061.65; .05 Nickel, $37,964,-802.00; .05 Steel, $3,443,020.10; .05 Tombac, $548,973.25; .01 Bronze, $49,297,188.83; (b) As of January 1, 1972, value of bank notes in circulation was $4,103,422,885.

2. (a): .25 Silver, $132,158,594.00; .25 Nickel, $114,320,-091.75; .10 Silver, $77,613,347.80; .10 Nickel, $50,023,790.50; .05 Silver, $4,470,056.85; .05 Nickel, $43,796,418.65; .05 Steel, $3,440,910.25; .05 Tombac, $548,971.10; .01 Bronze, $58,259,-276.03; (b) As of January 1, 1974, value of bank notes in circulation was $5,551,217,922.

IMPORTATION OF EGGS IN 1973-74

Question No. 624—Mr. Lambert (Bellechasse):

1. In 1973, did Canada import eggs and, if so (a) from what countries (b) how many dozen (c) at what price a dozen?

2. In the first 8 months of 1974, has Canada imported eggs and, if so (a) from what countries (b) how many dozen (c) at what price a dozen?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1 and 2. Imports of eggs in the shell amounted to 7,042,814 dozen in 1973 for a value of $7,759,912. In the January-August 1974 period, imports amounted to 7,006,356 dozen for a value of $6,727,907. The attached table indicates the quantity in dozens, the dollar value, and the price per dozen of these eggs by country of consignment.

Imports of Eggs in the Shell

Country	Quantity (Doz.)	Value ($)	Unit Price (per doz.)
Year 1973			
United Kingdom	90,000	26,578	0.30
Hong Kong	1,800	2,105	1.17
People's Rep. China	2,250	1,353	0.60
United States*	6,948,764	7,729,876	1.11
Total	7,042,814	7,759,912	1.10
January to August 1974			
Belgium-Lux.*	6,420	7,653	1.19
France*	630	3,814	6.05
Hong Kong	250	247	0.99
United States*	6,999,056	6,716,193	0.96
Total	7,006,356	6,727,907	0.96

*These eggs were imported for hatching purposes (thus the higher unit prices). For the United States, the figures below show what quantities were imported for hatching purposes.

1973	5,795,961 doz.	$6,948,000
January–August 1974	2,984,612 doz.	$4,502,000

The remaining quantities imported from the U.S. were for comsumption purposes.

DEPARTMENT OF REGIONAL ECONOMIC EXPANSION CONTRACTS WITH LAPOINTE TRANSPORT LTD.

Question No. 659—Mr. Grafftey:

1. What transport contracts have been awarded by the Department of Regional Economic Expansion to Lapointe Transport Ltd., 105 Industriel Blvd., Longueuil, Quebec, since January 1, 1972?

2. What was the amount of the contract in each case?

3. Were public tenders called in each case and, if not, for what reason?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 1. None.

2 and 3. Not applicable.

MINISTRY OF STATE FOR SCIENCE AND TECHNOLOGY CONTRACTS WITH LAPOINTE TRANSPORT LTD.

Question No. 664—Mr. Grafftey:

1. What transport contracts have been awarded by the Ministry of State for Science and Technology to Lapointe Transport Ltd., 105 Industriel Blvd., Longueuil, Quebec, since January 1, 1972?

2. What was the amount of the contract in each case?

3. Were public tenders called in each case and, if not, for what reason?

Hon. C. M. Drury (Minister of State for Science and Technology): 1. None.

2. Not applicable.

3. Not applicable.

MONCTON DOWNTOWN DEVELOPMENT

Question No. 679—Mr. Jones:

1. What are the terms of reference for the present study being conducted by the Ministry of State for Urban Affairs and others for a downtown development in Moncton?

2. What firm has been retained to conduct this study?

3. What is the scheduled completion date for this study?

4. What contribution is the government making toward the study and what part is the government prepared to take in implementing the study?

5. What departments (a) are participating in the study (b) are likely to participate in the implementation of the study?

Hon. Barney Danson (Minister of State for Urban Affairs): 1. The Ministry of State for Urban Affairs is participating in and supporting the development of an urban design for the central business district of Moncton. The terms of reference for the study provide for the establishment of a federal-provincial-municipal committee to advise the city of Moncton on the choice of a consultant, to review the work of the consultant, and to analyze and evaluate the recommendations made by the consultant. The provincial department of municipal affairs, the city of Moncton and the Ministry of State for Urban Affairs are represented on the committee.

2. General Urban Systems Corporation has been retained to conduct the study.

3. It is hoped that the study will be completed by January or February 1975.

4. The federal government is contributing $25,000 to the city of Moncton to assist the financing of the study.

5. (a) At this time, the Ministry of State for Urban Affairs is the only agency participating in the study. However, in the course of the exercise, the Department of Public Works, the Department of Regional Economic Expansion, the Central Mortgage and Housing Corporation and the Ministry of Transport will all have contributed to the conclusions and recommendations of the urban design study. (b) Pending completion of the study and acceptance of its recommendations it would be premature

to say which federal and/or provincial departments will be participating in implementation of the study.

UIC—NUMBER OF KEYPUNCH OPERATORS RECEIVING UNEMPLOYMENT INSURANCE

Question No. 685—Mr. Clarke (Vancouver Quadra):

On the last business day of each month from September, 1972 to September, 1974 inclusive, how many keypunch operators were receiving unemployment insurance benefits?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Occupational coding does not readily yield this information. Unemployment Insurance Commission has considered this request and is unable to respond due to the high cost of the specific program requested.

NUMBER OF PUBLIC SERVANTS IN RECEIPT OF REMUNERATION OF $30,000

Question No. 718—Mr. Stevens:

In 1973, how many public servants earned gross remuneration in excess of $30,000, $36,000 and $40,000 and, in each case, what was the aggregate amount paid to them?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): (a) In 1973, 873 public servants received salaries in the range $30,000 to $35,999 for an aggregate of $27,981,071; (b) In 1973, 308 public servants received salaries in the range $36,000 to $39,999 for an aggregate of $11,667,894; (c) In 1973, 86 public servants received salaries of $40,000 and over for an aggregate of $3,776,364.

AIR CANADA—TRANSLATION OF DOCUMENTS

Question No. 726—Mr. McKenzie:

1. What documents of any and all description (such as technical, schematic drawings, employee directives, any type of form, stationery, etc.) within the whole Air Canada operation (world wide) have to be translated into the French language?

2. At what date must this translation be completed?

3. What amount was spent in the years 1973 and 1974 for translating such documents?

4. What will be the total cost to translate all existing documents, forms, stationery, etc., within Air Canada?

5. (a) Are all new documents, forms, etc., being ordered in both English and French (b) what will the additional cost be over ordering English only?

6. What percentage of Air Canada employees (a) at Dorval Air Base (b) in all departments at Winnipeg and Vancouver will have to be bilingual and by what date?

7. (a) What is the total cost of language training for the years 1973 and 1974 for employees across Canada (b) how many employees are learning (i) French (ii) English (c) will unilingual employees who refuse language training hold their seniority or will they be demoted or fired?

Hon. Jean Marchand (Minister of Transport): 1. The corporation makes available in both English and French all printed information addressed to the public such as timetables, signs, notices, posters, building directories, telephone listings, etc. For internal communications, except in operating and technical areas, all internal notices, collective agreements, directives, forms, bulletins, instructions and policies of an official nature are to be in both languages.

[Mr. Danson.]

2. Much of this material has already been translated and the remainder will be done on a continuing basis over the next few years.

3. 1973: $66,000, 1974: $166,000.

4. To translate the remaining existing documents, forms, publications, etc., will cost approximately $300,000.

5. (a) Yes. (b) In addition to the $300,000 for translation noted above, approximately $150,000 will be required for composing and printing in another language.

6. Air Canada is still in the process of identifying the language requirements of positions at all locations, including Dorval, Winnipeg and Vancouver. Employees in positions not previously identified as requiring knowledge of both languages who are unwilling to acquire the necessary skills are not to be required to do so. Unilingual candidates for positions requiring both languages will be given the time required to acquire the necessary skills.

7. (a) 1973: approximately $50,000, 1974: $500,000; (b) Approximately 1,190 employees are enrolled in French courses in 1974 at levels from beginner to advanced, and 20 employees are taking English instruction, (c) They hold their seniority.

DATE OF APPOINTMENT OF HON. J. W. PICKERSGILL AS PRESIDENT OF THE CANADIAN TRANSPORT COMMISSION

Question No. 774—Mr. Diefenbaker:

1. When was the Hon. J. W. Pickersgill appointed Chairman of the Board of the Canadian Transport Commission?

2. On what date did he retire?

3. What salary per annum did he receive during his period of service?

4. What retirement or other pension does he now receive from his service with the Board?

Hon. Jean Marchand (Minister of Transport): 1. There is no post of chairman of the board of the Canadian Transport Commission. The Honourable J. W. Pickersgill was appointed President of the Canadian Transport Commission effective September 19, 1967, for a period expiring June 23, 1975.

2. Mr. Pickersgill resigned from the Canadian Transport Commission effective August 31, 1972.

3. Mr. Pickersgill's salary was fixed within the range DM-3.

4. Mr. Pickersgill receives benefits under the Superannuation Act calculated in accordance with the terms of that statute.

SEAWAY INTERNATIONAL BRIDGE CORPN. LTD. EMPLOYEES

Question No. 795—Mr. Stevens:

1. As of March 31 in each year 1968, 1970, 1972 and 1974 (a) how many were employed by Seaway International Bridge Corporation Ltd. (b) what would have been their aggregate salaries if all were employed for a full year (c) how many had salary levels of (i) $20,000 or more (ii) $35,000 or more (iii) $50,000 or more?

2. What was the salary or the salary range for each of the five highest paid employees of the Corporation?

Hon. Jean Marchand (Minister of Transport): The Seaway International Bridge Corporation Ltd., a subsidi-

ary of The St. Lawrence Seaway Authority, advises as follows: 1.

	March 31 1968	March 31 1970	March 31 1972	March 31 1974
(a)	18	18	18	19
(b)	$122,615	$146,302	$167,570	$202,807
(c) I	Nil	Nil	Nil	Nil
II	Nil	Nil	Nil	Nil
III	Nil	Nil	Nil	Nil

2.	$11,170–13,060	$12,670–14,820	$14,300–16,450	$15,300–19,200
	8,400– 8,890	9,950–11,170	10,650–11,960	11,985–15,090
	8,260– 9,280	9,380–10,530	10,650–11,960	10,490–13,055
	6,800– 7,470	7,790– 8,560	8,840– 9,720	10,135–11,140
	6,800– 7,470	7,790– 8,560	8,840– 9,720	10,135–11,140

ST. LAWRENCE SEAWAY AUTHORITY EMPLOYEES

Question No. 796—**Mr. Stevens:**

1. As of March 31 in each year 1968, 1970, 1972 and 1974 (a) how many were employed by the St. Lawrence Seaway Authority (b) what would have been their aggregate salaries if all were employed for a full year (c) how many had salary levels of (i) $20,000 or more (ii) $35,000 or more (iii) $50,000 or more?

2. What was the salary or the salary range for each of the five highest paid employees of the Authority?

Hon. Jean Marchand (Minister of Transport): The St. Lawrence Seaway Authority advises as follows: 1.

	1968	1970	1972	1974
(a)	1,708	1,609	1,622	1,550
(b)	$12,620,000	$14,308,000	$19,384,000	$17,723,000
(c) (i)	10	22	39	65
(ii)	0	0	1	1
(iii)	0	0	0	0

2. Salary

$26,500–29,000	$28,000–33,000	$34,000–40,000	$35,750–43,750
21,000–27,250	23,000–29,000	28,000–35,000	26,750–36,500
21,000–27,250	23,000–29,000	25,000–31,000	26,750–36,500
19,000–24,750	21,000–26,000	25,000–31,000	26,750–36,500
19,000–24,750	21,000–26,000	25,000–31,000	26,750–36,500

DAMAGES CLAIMED BY IMPORTERS AGAINST THE TORONTO CUSTOMS OFFICE

Question No. 849—**Mr. Stollery:**

1. What damages were claimed by importers against the main Toronto Customs Office for goods while they were in customs for the calendar years 1972, 1973 and 1974 to date?

2. What damages were actually paid by the Customs Office on these claims?

Order Paper Questions

Hon. Ron Basford (Minister of National Revenue): 1 and 2.

Year	Damage claimed $	Amount paid $
1972	30.00	30.00
1973	2,325.50	2,325.50
1974 (to date)	900.00	Nil

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

NAMES OF ADVERTISING AGENCIES IN BRITISH COLUMBIA RETAINED BY GOVERNMENT

Question No. 8—**Mr. Reynolds:**

What are the names of all advertising agencies used in British Columbia by the government or any Crown corporation?

Return tabled.

*INCREASE IN NUMBER OF SENIOR OFFICERS IN FEDERAL SERVICE

Question No. 197—**Mr. Orlikow:**

By department, what was the increase in the number of senior officers, SX1, SX2, SX3, SX4, for each year from 1968 to 1973, or in the case of new departments, commissions, agencies, etc. from their inception to 1973?

Return tabled.

Mr. Cossitt: Mr. Speaker, I rise on a point of order. I have had on the order paper for some length of time, approximately two months, certain questions in respect of the appointment of Mr. Michael Pitfield, certain questions in respect of Mr. Ivan Head, certain questions in respect of the Prime Minister's personal and political travels at public expense and also questions in respect of the operation in general of the Prime Minister's office. I feel that after a period of two months I am justified in rising on a point of order to ask why this information is delayed and whether the parliamentary secretary will give some assurance that it will be forthcoming shortly.

Mr. Speaker: Order, please. Before commencing the oral question period may I say that the Minister of Labour (Mr. Munro) has given the Chair notice of his intention to make a correction in *Hansard* relating to an answer the minister made on Friday last in which the minister I think made reference to one member and intended to refer to another.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—GOVERNMENT POSITION ON REQUEST FOR INDEPENDENT INQUIRY

Hon. Robert L. Stanfield (Leader of the Opposition): My question is directed to the Prime Minister who was unavoidably absent from the House in the last few days. Is he now prepared to recommend an independent inquiry regarding charges of intimidation and violence with respect to the SIU, and also with regard to the handling of these matters by the federal government? Is he prepared to recommend such an inquiry in view of the specific allegations, and accusations that have now been made and indeed telecast to the nation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must confess I am not aware of the specific allegations and accusations that the Leader of the Opposition talks about which have been broadcast to the nation. I have consulted with the House leader, who was Acting Prime Minister during my absence, and I stand completely by the statements he made on the matter of an investigation on Wednesday or Thursday of last week.

Mr. Stanfield: In view of the obvious truth in what was said, I think last week, by the hon. member for Nanaimo-Cowichan-The Islands regarding the importance of the government not only being honest but appearing to be honest and the importance of the government being so regarded in the country, I should like to ask the Prime Minister what action his government intends to take to deal with these charges, with the charge, for example, that was repeated and asserted on the national network last evening that a member of the government was in the pocket of the SIU.

Mr. Trudeau: I must confess that I was not listening to the national network last night. I do not know who made the charge; I do not know whether that person is worthy of testifying before the House. I do not know if the Leader of the Opposition himself supports that charge.

Mr. Stanfield: It is not a question of whether or not I support the charge.

Some hon. Members: Why not?

Mr. Stanfield: I am very concerned about the situation.

An hon. Member: Make the charge.

Mr. Stanfield: A very serious charge has been made.

Some hon. Members: Oh, oh!

An hon. Member: What charge?

Mr. Stanfield: A charge has been made casting a very heavy cloud over the government. There is absolutely no use in members opposite asking me to make a charge. I do not intend to make a charge. That is not my responsibility.

Some hon. Members: Hear, hear!

[Mr. Speaker.]

Mr. Stanfield: But it is my responsibility to press the government to clear up these matters.

Some hon. Members: Hear, hear!

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—ACTION OF MINISTER OF LABOUR WITH REGARD TO STATEMENTS ON TELEVISION PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary question for the Minister of Labour. I want to say to him quite frankly that I thought the program went too far. Is it the minister's intention to proceed against the network for defamation of character.

Hon. John C. Munro (Minister of Labour): I can only advise the Leader of the Opposition that I have developed and am developing a transcript of the program. I have not decided as of now what action I might take.

● (1430)

I might advise the Leader of the Official Opposition when he quotes a particular charge repeated in the newspaper this morning about the minister in the SIU's pocket—with reference to the importance of that, I think it was last Wednesday night in the Ontario legislature that Dr. Shulman said I was not the minister in the SIU's pocket, so I do not know which unreliable source the Leader of the Opposition is relying upon.

Mr. Stanfield: Mr. Speaker, a supplementary. I just want to assure the hon. Minister of Labour that I am basing my question on what I saw and heard on the national network last night.

An hon. Member: Hearsay!

Mr. Stanfield: I am very anxious to know what measures the government is going to take to clear up the matter or failing action of the government, what action the minister himself is going to take?

Mr. Munro (Hamilton East): Mr. Speaker, I have already indicated that in my own terms I have noticed such a great deal of innuendo, implication and total irrelevancies being played up to such a high degree that I just do not know what action to take. I just hope the type of conduct that seems so prevalent in some quarters will not be repeated in this House.

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CONFLICT OF INTEREST

PROPRIETY OF DONATION BY SEAFARERS' INTERNATIONAL UNION TO CAMPAIGN OF MINISTER OF LABOUR—FAILURE TO CONSULT PRIME MINISTER

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Prime Minister. Would the Prime Minister indicate if it meets standards acceptable to him for a member of his cabinet to accept campaign funds from the Seafarers' International Union, the operations of which come under his jurisdiction bearing in mind that the SIU, a subject of controversy for 25 years has in the past year

been the subject of renewed controversy including criminal charges having been laid, litigation having been instituted alleging irregular union election activities and many other such allegations?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not quite sure what allegation the hon. member supports. If he wants to make some allegation let him do it.

Mr. Stevens: Mr. Speaker, in view of the Prime Minister's answer I should like to direct a further question to him. In view of the statement of the Minister of Labour last Wednesday that he returned the campaign funds donated to him by the SIU because he thought and I quote: "It might be misunderstood if I kept this particualr contribution" and in view of the Prime Minister's statement last December 18 that "A minister has an obligation to seek advice of the Prime Minister on any matter concerning a conflict of interest in which he may be in doubt", and in view of the statement of the Minister of Labour last Wednesday that he had not sought such advice from the Prime Minister, would the Prime Minister indicate if he has asked for an explanation from the Minister of Labour as to why the minister felt there was sufficient doubt that he should return the contribution to the SIU but did not feel in sufficient doubt to consult the Prime Minister on whether there was in the Prime Minister's mind a possible conflict of interest?

Mr. Trudeau: Mr. Speaker, in this party campaign funds are received by various members of parliament and ministers. Some of them choose not to receive and accept funds, others do. I am surely not going to call to account every member of my party who refuses to accept funds from some particular group.

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LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—GOVERNMENT POSITION ON REQUEST FOR PUBLIC INQUIRY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. In his reply to the Leader of the Official Opposition the Prime Minister asked for specific charges. In my question I should like to refer the Prime Minister to seven specific assault charges which have been laid against members of the SIU and ask if he learned of these specific charges and in particular, in light of a quote that is attributed to the Solicitor General of the province of Ontario that "sufficient evidence of assault and violence and intimidation" exists to justify a full public inquiry into SIU activity, I would ask if he does not feel that a public inquiry is required into this situation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, surely the hon. member is talking of different types of charges than the Leader of the Opposition was in his question to me earlier in the House. He is talking about charges of violence. My understanding is that the Ontario police and the metropolitan police of Toronto are making investigations into that to find if there is enough evidence to file an information and lay charges. I have had no report on that.

Mr. Broadbent: Mr. Speaker, the Prime Minister is only partly correct.

Some hon. Members: Oh, oh!

Mr. Broadbent: If hon. members would just listen to the question. The question which I put last Wednesday and subsequent questions put by other members of my party on Thursday and Friday referred specifically to the charges of union violence which led Dr. Shulman originally to make his charge. It was to investigate that matter in particular, but by no means exclusively, that we were suggesting a public inquiry was necessary. The Prime Minister has indicated today that he understands that the provincial police and other law enforcement agencies of the province of Ontario are investigating these questions. The conclusion reached by the Solicitor General of the province is that the evidence they have warrants a public inquiry. In view of that judgment what is the Prime Minister's position?

Mr. Trudeau: Mr. Speaker, it is the same as that expressed by the House leader and the Acting Prime Minister some days ago, that the responsible police of the province and metropolitan area of Toronto are making inquiries into these specific charges: This is my understanding. We have not had a report from them, though I understand the Deputy Minister of Justice is writing to the Ontario government asking if there are any facts or material that should be known to us. I have had no request yet from the Ontario government to make any inquiry. I am trusting them and their police services to find the facts on this. I hope if they do find some that reveal a possibility of criminal action they will lay an information and do what their duty is to take this matter to the criminal courts. It is only if they report failure, that they are unable to do anything and feel very strongly that the only way to get at the facts would be by a public inquiry held by the federal government rather than them, that I would consider this matter.

Mr. Broadbent: Mr. Speaker, a supplementary. It is my understanding that such a formal request is now being prepared by the government of Ontario. I want to get it perfectly clear from the Prime Minister, in view of the fact that the SIU is a federally chartered union with headquarters in Montreal, and operating in more than one province, if he gets such a serious and formal request from the government of Ontario will he make a decision to have a public inquiry?

An hon. Member: He does not choose to answer.

Mr. Speaker: Order, please. I think the hon. member will know, as other hon. members do, that to ask any minister a question on what he will do if something happens in future is hypothetical and outside the scope of the question period.

An hon. Member: What he will do is duck.

Mr. Broadbent: Mr. Speaker, one further supplementary. Given the importance of this and simply to get clarification from the Prime Minister, would he inform the House what in his view are the conditions necessary to induce this government to take some public action on this matter?

Mr. Trudeau: Mr. Speaker, the answer to that could take 100 pages. There are all kinds of conditions—if the province of Ontario were unable to discharge its duties, if the attorney general of Ontario were unable to find facts, if the police were incompetent in finding facts. There are all kinds of reasons which might cause us to want to make a public inquiry. Surely, the hon. member cannot ask me to enumerate all the reasons in advance of something that might happen and what we would do if something happens.

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[*Translation*]

ADMINISTRATION OF JUSTICE

REQUEST FOR FEDERAL AID TO QUEBEC POLICE FORCES—CONSULTATIONS WITH PROVINCE

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

Last night, on the national news bulletin of the CBC, I heard, like all those who were listening, that the right hon. Prime Minister of Canada is a hypocrite, a liar, that he is hiding behind the Solicitor General of Canada with regard to the claims of the province of Quebec on the use of the Quebec provincial police, for which the province is asking a federal contribution of some $450 million. Since last night, or even before, has the Prime Minister been in touch with the Quebec Minister of Justice and could he tell us what progress has been made in those talks?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I shall first of all have to check to see if the allegations repeated by the Social Credit leader were in fact made over the CBC network. I know nothing of what was said but I shall look into the matter; I do hope the language used by the hon. member was not in fact used by a minister of the Crown.

* * *

● (1440)

[*English*]

PUBLIC SERVICE

RETIREMENT OF FOUR DEPUTY MINISTERS—USE OF MERIT PRINCIPLE IN APPOINTMENT OF SUCCESSORS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. As the appointment and dismissal of deputy ministers comes under the exclusive jurisdiction of the Prime Minister, will the Prime Minister advise the House what he knows of the circumstances which caused four deputy ministers, two of whom are the most senior and important in the whole of the civil service, to decide simultaneously that the atmosphere in which they are working is such that they prefer early retirement.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the allegation as repeated by the hon. member is false.

Mr. Hees: Seeing the Prime Minister refuses to answer that straightforward question—

Mr. Trudeau: I said it is false.

Mr. Hees: Will the Prime Minister advise the House if the merit principle will prevail in the appointment of successors to these four deputy ministers who are resigning or will proximity to the Prime Minister be the overriding factor as the Prime Minister continues to supplant very able men by his own palace guard?

Mr. Trudeau: Mr. Speaker, obviously the hon. member is again misinformed. By order in council we appoint meritorious people. However, we do not follow the merit principle that applies to the Civil Service Act and not order in council appointments.

Mr. Hees: Will the Prime Minister then advise the House if the appointment of Mr. Michael Pitfield was simply on his own whim rather than following the merit principle.

Mr. Trudeau: Mr. Speaker, it was made because of his very great merit. I would not say as much about the merit of the person who was elected by the Prince Edward-Hastings electorate.

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UNEMPLOYMENT INSURANCE

REASON FOR DENIAL OF BENEFITS TO EMPLOYEES OF BRITISH COLUMBIA RAILWAY—GOVERNMENT POSITION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of Manpower and Immigration. It concerns the strike against the British Columbia Railway. Can the minister advise the House why the Unemployment Insurance Commission has refused to pay benefits to 2,000 workers who do not belong to the shopcraft unions that are on strike and who are not on strike themselves, but who are prepared to work and who are in fact laid off by the railway company?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will inform myself of the details and report to the hon. member as soon as possible.

Mr. Fraser: Can the minister advise why an incident that took place before the present legal strike commenced on November 21 is being used as an excuse by the minister's officials in British Columbia to deny these 2,000 non-striking workers their benefits?

Mr. Speaker: Order, please. I presume the same answer will apply.

Mr. Fraser: A supplementary question.

Mr. Speaker: Order, please. I have some doubt about the nature of the hon. member's question. Possibly the information ought to be sought in some other way. This is a strong request to the minister to give in this chamber a legal interpretation of the right of applicants for benefits under unemployment insurance legislation. I feel very clearly the minister ought not be required to do that in this chamber in answer to a question.

Mr. Fraser: In view of the gravity of the situation, Mr. Speaker, can I ask the minister to tell us now if he is going to take immediate and personal steps to intervene in this situation so that these men can get their benefits and get them quickly. The economy of the whole area covered by the B.C. Railway is now in great jeopardy.

Mr. Andras: Mr. Speaker, I note the hon. member's concern. As I indicated earlier, I will fully acquaint myself with this situation. I will not commit myself to intervene unless that is clearly the proper mode for me to adopt. However, I will inform myself and advise the hon. member of the facts and the consequences.

* * *

AGRICULTURE

UNITED STATES IMPORT QUOTAS ON HOGS—POSSIBLE ELIMINATION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Agriculture. In view of the virtual cessation of exports as a result of hog quotas with very low prices in certain categories of heavy hogs, is there any possibility of pork quotas being lifted between Canada and the United States in the immediate future?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, all I can say is that discussions are still going on at this time.

* * *

FISHERIES

USE OF NAVAL VESSELS IN SURVEILLANCE OF EAST COAST—GOVERNMENT POSITION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct a question to the Minister of State (Fisheries). Is the minister's department making funds available to the Department of National Defence so they can continue to use Canadian destroyers on coastal surveillance, particularly at this critical time of over-fishing?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I wish to inform the hon. member that other vessels of National Defence will be designated for fisheries patrol duties as a piggyback operation to normal duties. I also wish to point out that at least three vessels of the Fisheries and Marine Service have undertaken over 250 boardings in the past year. Therefore, there has been continuing patrolling over the past months.

Mr. McGrath: Will the minister report on the press conference in Halifax today regarding the course of the Canadian destroyer *Annapolis* as to whether that ship will again be used in the immediate future for this type of surveillance?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I will have to await information on this press conference. I know that the crew of the vessel was very enthusiastic about the work they undertook. The forces have expressed willingness to again carry out this operation and I very much hope they will do so.

[*Translation*]

USE OF NAVAL VESSELS FOR SURVEILLANCE ON WEST COAST—GOVERNMENT POSITION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I would like to put a question to the Minister of State in charge of Fisheries.

Can he tell us if he intends to introduce a similar system on the west coast of Canada?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I think that would be a very good idea. We would have to see, however, if the rules contained in the international agreements that govern that deep-sea area allow us to designate military ships as we do within the North Atlantic Council. If that is possible, I do not see why we could not do it.

* * *

NATURAL RESOURCES

THETFORD MINES—POSSIBILITY OF FEDERAL FINANCIAL AID FOR RECONSTRUCTION OF FACILITIES

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources.

Following the fire which last night devastated the King Beaver asbestos mining facilities in Thetford Mines, in the province of Quebec, could the minister advise the House whether his department intends to financially help reconstruct this industry which was employing 1,000 workers who are unemployed today?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have already had conversations with the hon. member for Frontenac concerning the Thetford Mines disaster. I have asked my officials to conduct an investigation with the provincial government and the company to ascertain the circumstances of this fire. There exists at present a shortage of asbestos on world markets. This is a disaster for Canadian producers and it is of national interest to rebuild this very important plant immediately. The federal government is therefore willing to help as much as possible to rebuild these facilities.

Oral Questions

IMMIGRATION

HAITIANS—ALLEGED INVITATION TO SEND CANADIAN SURVEILLANCE COMMISSION TO HAITI

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

Since some ten days ago, Mr. Lavigne of Montreal returned from Haiti and confirmed that the president of that country had invited the Canadian government to send a supervisory commission if the Haitians were deported to their country, is the minister in a position to tell us whether he has received such an invitation from the Haitian president and if so, what is the decision taken by the minister in that connection?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): No, Mr. Speaker.

[*Translation*]

Mr. La Salle: Mr. Speaker, I should like to ask a supplementary question. Is the minister willing to make a statement soon, so that we may know what has happened about the final decision of the Canadian government concerning the Haitians who are about to be deported.

[*English*]

Mr. Andras: Mr. Speaker, I have made many statements on this subject. The situation has not changed.

* * *

AGRICULTURE

ALLEGED UNAUTHORIZED PAYMENTS TO PRAIRIE FARM ASSISTANCE FIELD MEN—REQUEST FOR INVESTIGATION

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is addressed to the Minister of Agriculture. I ask it with the knowledge of the quick action of the Minister of Energy, Mines and Resources in responding to a request for an inquiry in the province of Quebec. Would the minister take personal note of the disturbing events in the administration of the Prairie Farm Assistance Act in the west? I am referring specifically to unauthorized payments for field men during the election period, information about which the hon. member for Red Deer has in his possession. In view of these disturbing developments, would the minister consider asking Mr. Howard Riddell, who was for 14 years the head of PFAA and who is now working for the Department of Municipal Affairs in Saskatchewan and who has the confidence of the farmers, and who is well known for his honesty and integrity, to come back and check out this very smelly situation?

● (1450)

Hon. E. F. Whelan (Minister of Agriculture): I do not know what the situation is, but I will certainly check on it and ascertain what the facts are.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I believe the Deputy Minister of Agriculture, Mr. Williams, is retiring very shortly. Perhaps the minister might consider, when he is checking the situation out, that this might be a very good job for him to look after, because he, too, I think, has the confidence of the farmers out there.

[Mr. Macdonald (Rosedale).]

* * *

ENERGY

OIL—UNITED STATES POSITION ON REDUCTION OF EXPORTS

Mr. James Gillies (Don Valley): Mr. Speaker, my question is to the Prime Minister. Last week, in the right hon. gentleman's discussion with President Ford during which there was general agreement there would be no trade war between the United States and Canada, was the Prime Minister able to get a specific assurance from President Ford that there would be no response on the part of the United States government to Canada's decision to reduce the rate of export of oil to that country?

Right Hon. P. E. Trudeau (Prime Minister): Certainly, the President did not indicate there would be any strong reaction, nor did he indicate to the contrary. He was interested in the explanations, the motivation, which led us to a certain position. He seemed prepared to consider them after they had been explained to him, and that was the essential purpose of my visit, not to get any strong undertaking at that particular time but to make sure he understood Canada's good reasons for doing certain things.

SYNCRUDE PROJECT—POSSIBLE FEDERAL PURCHASE OF ATLANTIC RICHFIELD INTEREST

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Has the federal government initiated any negotiations regarding the purchase of the Atlantic Richfield interest in Syncrude? Specifically, are negotiations being conducted, or have negotiations been conducted, between the federal government and Atlantic Richfield, between the federal government and the Alberta government, or between the federal government and other participants in the consortium?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I met on Friday afternoon with the Alberta ministers of the environment and of mines and minerals. At that meeting we discussed the ARCO decision with regard to the Syncrude project. I expressed the interest of the federal government in supporting the government of Alberta in financial terms in order to make sure that the Syncrude project kept going. I indicated, of course, that federal participation would be subject to the approval of the Alberta government.

At a later time I met with one of the other partners in the Syncrude project to obtain confirmation of the decision made by ARCO and to obtain information as to the situation in which the project now finds itself. I have asked my officials to keep in close contact with Syncrude officials so that we can be better informed of the facts concerning that project and be in a better position to determine what assistance the federal government could

possibly render if, indeed, this were found acceptable by the government of Alberta.

Mr. Symes: My supplementary is directed to the Prime Minister. Can the Prime Minister assure the House that if a decision is made to provide federal funds or other assistance to the Syncrude project to ensure that tar sands oil is available to us in the early 1980s, the federal government will take equity in the project proportional to the financial assistance made available?

Right Hon. P. E. Trudeau (Prime Minister): I take the question as a representation and I will consider it.

[*Translation*]

SARNIA-MONTREAL PIPELINE—GOVERNMENT POSITION ON CONSTRUCTION

Mr. Gérard Laprise (Abitibi): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources.

Can the minister tell us whether a decision has been taken about the construction of the oil pipeline from Sarnia to Montreal?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the Cabinet took a decision on this and we are having negotiations with Interprovincial Pipeline Limited.

Mr. Laprise: Mr. Speaker, I have a supplementary.

Since it has been announced that there will be no oil left in the west when the oil pipeline is ready for operation and given the cost of such a pipeline, does the minister think such capital investment is justified?

Mr. Macdonald (Rosedale): Mr. Speaker, we think that in the near future, as well as in the distant future, such a pipeline will be to the benefit of Canada, particularly as regards the security of the Montreal market.

[*English*]

ATHABASCA OIL SANDS—GOVERNMENT ACTION TO ENSURE CONTINUED DEVELOPMENT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question relates to that asked by the hon. member for Sault Ste. Marie. It is addressed to the Minister of Energy, Mines and Resources. Since the withdrawal of Atlantic Richfield is the second major set-back suffered in connection with this project—Atlantic Richfield is the second major company to withdraw from this project to develop the Athabasca tar sands—and since the reason for the withdrawals in both cases is vacillation in government policy and economic instability as far as the petroleum industry is concerned, can the minister tell us what steps, if any, he is planning to take in order to bring about a feeling of confidence in this area as it relates to government policy to ensure that development does not stop?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Neither the decision of Shell Explorer nor the decision of ARCO was taken for the reasons stated by the hon. member. The decision of ARCO was taken in the light of the cash position in which the company finds itself because of its involvement in the Alyeska Pipeline project resulting in the cancellation of a number of other projects including one involving oil shale in the United States. It was obviously decided to give higher priority to Alyeska. The Shell Explorer decision was reached specifically because of the decision not to permit the export of Canadian oil unless surplus to Canadian requirements. I think that is a sound policy; it is one which we on this side of the House, at least, support.

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FEDERAL-PROVINCIAL RELATIONS

EFFECT OF STATEMENTS BY MINISTER OF ENERGY, MINES AND RESOURCES CONCERNING ALBERTA MINISTERS

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Prime Minister. Speaking in Regina only last week, the right hon. gentleman said:

> If we are to remain strong as a country, federal-provincial differences will have to be hammered out on the basis of a fundamental belief in the other fellow's honesty.

I want to ask the Prime Minister if he considers the statements made in this House on Thursday night by the Minister of Energy that Premier Lougheed is acting in a vicious way and that the remarks of the interprovincial affairs minister, Mr. Don Getty, were dripping with venom, are in harmony with his plea for goodwill on both sides?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. Frankly, what I had in mind was the kind of allegation made by the other side, particularly the allegation that we had acted in bad faith in connection with this matter. I find that very poor—

Some hon. Members: Oh!

* * *

LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—POSSIBLE REQUEST OF PRIME MINISTER TO SEE RCMP INTERIM REPORT

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is to the Prime Minister and it refers back to the subject of the SIU. Did the right hon. gentleman ask to see the interim report of the RCMP investigation concerning the Minister of Labour and, if so, what action has he taken as a result of that report?

Right Hon. P. E. Trudeau (Prime Minister): As is customary, the Solicitor General reported to me on investigations which are going on, particularly when there are allegations which involve ministers of my cabinet. He made me aware of this preliminary or interim report.

Oral Questions

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—RESPONSIBILITY FOR INVESTIGATION OF ALLEGED IMPROPRIETY OF MINISTERS

Mr. Joe Clark (Rocky Mountain): Is the Prime Minister leaving to the RCMP the responsibility to conduct an inquiry into the question of the propriety of conduct of ministers of the Crown in matters relating to the SIU? If not, who is responsible for any inquiry that might be undertaken into the question of the propriety of the actions of ministers of the Crown in this matter?

● (1500)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is not up to the police to determine questions of inquiry, or even, for that matter, I believe to determine ultimate prosecution. It is up to the police to discover the facts. They are looking into the facts on the basis of some allegations which were made. I believe that this is the type of inquiry which, at the request of the Department of Labour, the Solicitor General has set up, and the police are looking into these facts. It was on the basis of this type of inquiry by the police that a preliminary report was made to me by the Solicitor General.

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ROYAL CANADIAN MOUNTED POLICE

SUGGESTED INDEPENDENT INQUIRY TO PROTECT INTEGRITY OF FORCE

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my supplementary question is for the Prime Minister. In light of the fact that section 5 of the RCMP Act gives control and management of the force to the commissioner, who, however, is, if I may quote the wording, "under the direction of the minister"—that is, the Solicitor General—and in light of the fact that the Solicitor General has an obvious personal involvement in the SIU matter and in fact is one of those singled out in the interim report, I ask the Prime Minister whether, if for no other reason, he does not consider the protection of the integrity of the RCMP sufficiently important as to order an independent inquiry, so that the RCMP is not put in the untenable position of investigating the Solicitor General, under whose direction it operates?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is a long standing practice in the RCMP if they are investigating ministers—and I believe this practice must have existed in the days when the Conservatives formed the government—that the commissioner or his representative makes me aware of any such representations against ministers. If it is found—and certainly this is hypothetical—that there is in some way involvement of ministers, then it is reported to me, as I am sure would have been the case in the time of the right hon. gentleman from Prince Albert.

Mr. Allmand: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: The Solicitor General is rising on a question of privilege. I listened carefully to the question of the hon. member for Perth-Wilmot to see whether or not there might be some awkwardness to the situation in which the RCMP finds itself, but I failed to hear any allegation that would in any way give rise to a question of privilege on the part of the Solicitor General. However, I am prepared to listen to the Solicitor General.

Mr. Allmand: Mr. Speaker, since last week I checked the section in the RCMP act referred to, and which has been referred to several times by the opposition, and I found that the section was written at a time when the Minister of Justice was responsible for the RCMP, and he was also the attorney general in charge of prosecutions. As the hon. member might know, in 1966 a new department of the Solicitor General was set up whereby he answers for the RCMP in the House of Commons and the Minister of Justice, who is still the Attorney General of Canada, is in charge of prosecutions. So that the section referred to by the hon. member, and which, as I say, has been referred to by others, really no longer applies today in the way it did when the act was written.

* * *

LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—REQUEST FOR INDEPENDENT INQUIRY

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, may I put a further supplementary question to the Prime Minister; I will make no comment on the question of privilege that has been raised. In light of the Solicitor General's statements, both in this House and elsewhere, describing the character and integrity of Mr. Shulman, and whether such statements are accurate or otherwise, I ask the Prime Minister, in regard to an investigation of the SIU, whether it is not government policy that such investigation must clearly be void of any suggestion whatever of partiality or bias or lack of independence. Therefore, I ask the Prime Minister whether he does not consider an independent inquiry the only means of assuring this appearance of impartiality and lack of bias?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think we are back to the earlier confusion between the two types of inquiry; at least I must confess I am confused. I am not sure whether the question refers to an inquiry into the violence perpetrated, or allegedly perpetrated, by the SIU, or an inquiry into the alleged misconduct of a minister on this side.

Some hon. Members: Oh, oh!

Mr. Trudeau: I am sure the hon. member does not need any help in asking his question, but if he would clarify that point I might be able to come out of my state of confusion and give him an answer.

Mr. Jarvis: Mr. Speaker, may I put a final supplementary question to the Prime Minister. In light of the fact that it is becoming obviously more and more difficult to sever these problems, I simply ask the Prime Minister, since in the interim report there is mention by the RCMP of the minister under whose direction the force operates—

the legislation uses the clearest possible terms in that regard—and in order to protect the integrity of the RCMP and to give the hallmark necessary to every investigation of lack of bias and impartiality, whether it is not government policy, at the precise moment when the matter arises, to order an independent inquiry into such a serious matter as allegations involving the SIU, whether it be the violence allegations or the contributions allegations?

Mr. Trudeau: Mr. Speaker, surely the violence allegation has nothing to do with the Solicitor General; there is no reason to suppose that he is involved in that matter. If they do have to do with questions of integrity, then I explained in my first answer what was the policy of the government and the practice of the RCMP when they are investigating a minister—

Mr. Clark (Rocky Mountain): Tell us about Edgar Benson and CMHC.

Mr. Trudeau: Well, Mr. Speaker, I see the opposition is really not trying to get to the bottom of this.

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VETERANS AFFAIRS

DATE OF INTRODUCTION OF LEGISLATION CONCERNING VETERANS HOUSING

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. Would the minister say when he will be introducing legislation respecting veterans housing to take the place of the Veterans' Land Act, as promised by the government during the debate on November 5 and 6?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, as I indicated before, there has been some study by the government of this question, and in particular by my department and the Department of Urban Affairs, which has progressed quite well and we shall be reporting to the House at an early date.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I have a supplementary question which relates to the fact that the right to make applications under the Veterans' Land Act will expire on March 31, 1975. Will the new legislation be ready by that date?

Mr. MacDonald (Cardigan): Mr. Speaker, I feel that whatever is going to be done will be made known before then. I am not endeavouring to leave the impression that it will be in the form of legislation.

HERMANN REPORT—POSSIBLE REFERENCE TO STANDING COMMITTEE

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is also for the Minister of Veterans Affairs. In view of the fact that the Hermann report was delivered to the government in October 1973 and tabled some 14 months later, would the minister advise the House whether he has now considered the preparation of the motion to refer the report to the veterans affairs committee, and has he discussed the matter with the leader of the government in this House so that this matter can be attended to at the earliest?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, regarding the hon. member's reference to when the report was made available, I should like to say that when it was first made available to the government it had to be re-edited by the individual who wrote it, as well as translated and printed. This is why I bring to the attention of the House—

Mr. Lambert (Edmonton West): It was mostly figures that had to be translated.

Mr. MacDonald (Cardigan): I want to give some reasons, sir, if you would be prepared to listen for a moment, why the report took considerable time, and I can convey further information to you at a later date. With regard to referring the report to the veterans affairs committee, I have discussed the matter with the House leader. I have also received correspondence from veterans organizations across Canada, which has also been received by the veterans affairs critic on the Conservative side as well as the House leaders of the other parties. Veterans affairs associations have requested us not to advance too rapidly with this report in the committee to give them sufficient time to make a study of the matter before they appear before the committee. We have agreed to do this, with the agreement of other House leaders.

* * *

● (1510)

STATISTICS CANADA

CONSUMER PRICE INDEX—SUGGESTED DISCONTINUANCE OF PRACTICE OF GIVING MINISTERS ADVANCE INFORMATION—GOVERNMENT ACTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Industry, Trade and Commerce what sort of raw information he can give us on the unemployment figures due to come out tomorrow?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I cannot enlighten the hon. gentleman at all as I have not been enlightened myself.

Mr. Stanfield: Mr. Speaker, could the minister give the House the assurance that this very, to use conservative language, questionable practice of giving certain ministers advance information about the consumer price index figures and other things, before presentation to the public and to the House, has been stopped? Can he assure us that this questionable or perhaps even nefarious practice has ceased?

Mr. Gillespie: No, Mr. Speaker.

Oral Questions

CANADIAN BROADCASTING CORPORATION

REASON FOR ALLEGED DENIAL TO MEMBER OF PARLIAMENT OF TAPES OF PROGRAM RELATING TO SEAFARERS' INTERNATIONAL UNION

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, in the absence of the Secretary of State perhaps I might direct my question to the Acting Secretary of State. Last week the CBC radio carried a national broadcast on its program "As it Happens" relating to the SIU controversy, including interviews with the Minister of Labour and the Solicitor General. This morning a request from a member of parliament for the transcript of those broadcasts was denied by the director of parliamentary services for the CBC, but the director promised to provide the tapes of the broadcast. Later the CBC phoned back to say that the tapes would not be forthcoming. Since the request for the tapes was originally granted, and since requests in the past for CBC tapes have always been met without reservation, can the Acting Secretary of State enlighten the House as to the sudden reversal? Was there a sudden change in CBC policy, or is it just in this specific case that the government has given orders to the CBC that it should not turn over the tapes?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Obviously, Mr. Speaker, that is a question of some complexity, judging at least by its wording.

I must recognize that I have not been aware of any fact since, unfortunately, I came back only yesterday night from a trip abroad. However, I would be very glad to transmit the question of the hon. member to the minister who, in turn, can ask the CBC. But I can immediately assure him that it has never been a practice of the government to give any instruction whatsoever to the corporation or to keep secret or reveal anything and that, furthermore, had the government done so, the corporation would not have complied with such instructions.

[*English*]

Mr. O'Sullivan: Mr. Speaker, I have a supplementary question for the Solicitor General. In view of the fact the tapes were originally promised and then denied, can the minister advise if the reason these tapes are not available is that they have been called for by the RCMP?

Hon. Warren Allmand (Solicitor General): I do not know that, Mr. Speaker. I do know that following the allegations in the statement Mr. Shulman made on that broadcast I requested transcripts of what was said, and they were given to me.

Some hon. Members: Oh, oh!

Mr. Allmand: I will be glad to give anybody in this House a copy of the transcripts.

Some hon. Members: Hear, hear!

Mr. Allmand: If the hon. member or anybody else wants a copy I will be glad to give him one. I issued no instructions to them. I merely asked for a transcript and they gave it to me. I do not know whether the RCMP approached them.

[Mr. Gillespie.]

Mr. O'Sullivan: Mr. Speaker, I have a final supplementary for the right hon. Prime Minister. In view of the fact the Solicitor General has just advised that he received transcripts of the tapes, will the right hon. gentleman instruct the CBC immediately this afternoon to treat all members of parliament with the same courtesy, and to turn the transcripts over to any member of parliament who requests those tapes?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know on what authority I could instruct the CBC to do that. I will certainly take note of the suggestion by the Tory party that I should be giving instructions to the CBC.

Mr. Roche: Mr. Speaker, I rise on a point of order. Following the Prime Minister's answer to my question earlier, I tried to catch Your Honour's attention for a supplementary question. I did so because the Prime Minister somewhere in his answer said that he did not consider the remarks by the energy minister in respect of Premier Lougheed and Mr. Getty to be conducive to goodwill. I want to point out to this House that this name calling is on the front pages of newspapers all across Canada, particularly in the west, and is hurting the climate for negotiation in respect of the energy question, with the result that people in Canada are suffering. In view of the fact that we perhaps all say things in the House that we later regret, I would ask the Minister of Energy, Mines and Resources whether he would like to apologize for referring to Premier Lougheed as "vicious", and Mr. Getty as "dripping with venom"?

Mr. Trudeau: Mr. Speaker, on this same point of order, I must tell the hon. member that if he wants to know the nature of my thoughts, the person I had in mind who had used expressions of bad faith was the Leader of the Opposition, the hon. member's leader.

Some hon. Members: Hear, hear!

Mr. Stanfield: I will be very brief, Mr. Speaker. I just want to assure the Prime Minister that I will be coming back with the same charge.

Some hon. Members: Hear, hear!

Mr. Trudeau: He will find it difficult for his backbenchers to object to this kind of language, Mr. Speaker.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

The House resumed, from Thursday, December 5, consideration in committee of Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to

regulate the price of Canadian crude oil and natural gas in interprovincial and export trade—Mr. Macdonald (Rosedale)—Mr. Penner in the chair.

On clause 2—*Definitions.*

Mr. Roche: Mr. Chairman, I rise on a question of privilege as I was not able to obtain an answer to the question I directed to the Minister of Energy, Mines and Resources. As we are resuming the discussion this afternoon of Bill C-32, I challenge the minister to apologize to Premier Lougheed and Mr. Getty for the remarks he made, so that our discussion can be conducted in a climate of good will.

Some hon. Members: Hear, hear!

Mr. Munro (Esquimalt-Saanich): Mr. Chairman, when I called it ten o'clock last Thursday evening I was examining the implications of part III of this bill, which uses language that I find extraordinary. I think it would be permissible briefly to review some of the arguments I had put forward.

This is only the fifth instance of language of this sort being used in any federal legislation. With respect to the four other instances, the first was the Fisheries Act, which we can understand because it has to do with pollution, pollution control and a resource which goes beyond the control of the provinces; the second was the Nuclear Liability Act, which has to do with matters in which the federal government is involved as a result of international arrangements—here again, the binding nature of that legislation is understandable—and the third instance was in relation to international river improvement. This related to the fact that a person might improve or do damage to a river that could result in damage across the border. The responsible authority would be the federal government; therefore the federal legislation was considered to be overriding. The fourth instance concerned explosives—and it would be pleasant if we did not have so many explosive sounds in this chamber.

● (1520)

The Deputy Chairman: Order, please. I think the point just made by the hon. member for Esquimalt-Saanich is a good one. There is a considerable amount of noise in the chamber, which makes it very difficult for the member who has the floor to make his points. I hope that hon. members who wish to carry on conversations will do so behind the curtains, so that the business of the House may continue.

Mr. Munro (Esquimalt-Saanich): As I was saying, the fourth special instance deals with explosives and safeguards. I was not too clear why this should have crept into the bill we are considering, although I think perhaps we can accept it as being a matter of interprovincial trade: it refers to the imposition of standards in the carriage of explosive material which could do damage to the population. This matter should come under general regulation and is therefore federal. The fifth instance in the bill is to be found in clause 3. I think it is worth reading this clause into *Hansard*. It provides:

> This act is binding on Her Majesty in right of Canada and in right of any province.

I ask the minister to please tell us why it is felt necessary to use this type of wording. I think this Draconian measure is sort of an overriding provision in this bill. When I look at the bill I find it is divided into five parts. The first part deals with the imposition of an export tax. I cannot believe that this particular clause is necessary in order to impose and to collect an export tax. This, clearly, is within the jurisdiction of the federal government.

Part IV has to do with compensation for imports over the price set. Again, I think this is in the general interest of Canada and there is no objection to it. This leaves parts II, III and V. I should like to come back to parts II and III, but for a moment I will deal with part V because to my way of thinking it has introduced some rather startling concepts in clauses 89 and 90. I think that when clause 3, which must apply to all that follows in this particular part of the bill, is examined very closely we will see the danger we are running into if we allow the bill to pass in its present form. It is our intention to propose amendments to clause 3.

In part V of the bill it will be seen that the minister may require any person to make to him a written return showing in detail information with respect to the affairs of the person named in regard to petroleum development and sales arrangements, if the minister feels this is necessary. I find paragraph (b) of subclause (1) of clause 89 very distressing. Several months ago we had a debate about invasion of privacy and the use of wiretaps. I challenge anyone to find anything more dangerous or more threatening to the privacy of the individual than paragraph (b) of clause 89, subclause (1) which reads:

> ... authorize any person designated to carry out investigations under this act by the minister to enter any premises in which that person has reason to believe that there may be evidence of a contravention of this act ...

I cannot help reading this particular clause with clause 3 in mind. Property and civil rights normally are matters of provincial concern. Here we have an overriding clause, in a law which this parliament is expected to approve, that will invade this area of provincial jurisdiction and will threaten the privacy of the individual. To my mind, clause 3 is an extremely dangerous clause to leave in any legislation unless there is good reason. I have just received a copy of a letter which was sent to the federal Minister of Energy, Mines and Resources by the Minister of Mineral Resources of the province of Saskatchewan. I assume it was written after they met here last week. On page 3 of this letter some of the misgivings of Saskatchewan in respect of clause 3 are expressed. I should like to quote one particular sentence relating to these misgivings:

> If clause 3 is enacted and is found to be constitutionally sound ...

Which, of course, is very hypothetical.

> ... it may effectively restrain the provinces. But in the light of events in recent months, we must ask what restraint will there be on the federal government in dealing with matters that are the legitimate concern of the provinces.

Last week we heard that nine of the mines ministers of this country are resisting strenuously this particular bill and the present trends of the government. One province alone has acquiesced. This is the expression of opinion of one of the producing provinces. No doubt there are others which we will hear about in the course of time.

I should like to return to clause 3 and parts II and III, which are the price-setting arrangements for which I suspect clause 3 was expressly designed in order to allow the federal government to regulate prices and do something it has not done before in peacetime. I shall return to this matter in the course of this debate, but I hope that before that the minister will have had an opportunity to reflect on the use of this particular clause in the bill and will express his views on possible changes.

Mr. Baldwin: Mr. Chairman, I shall adhere closely to my notes because of my limited time, but I would ask the indulgence of the House if I should stray a little beyond my allotted time. Because I propose to make some suggestions to the committee, perhaps members of the committee might give me special consideration.

The bill, of course, stands by itself so far as discussion in the committee is concerned, but it cannot be dissociated from other measures the federal government has passed or will introduce, namely, the energy allocation bill and the proposals to amend the Income Tax Act which, of course, will be discussed at a later date. You have to take them together, as a package, when looking at this issue. They all go to the question of the natural resources which belong to the provinces.

● (1530)

There has been a lot of glib talk about the constitution. I think it is necessary to go back to basics, to review our position, to strip away the overlay of academic and legal jargon which has been superimposed on the original foundation of the act. There are several sections of the constitution which this committee cannot ignore in examining the whole issue. Section 125 says, "no land or property belonging to Canada or any province shall be liable to taxation." Section 109 gives to the provinces all lands, mines, minerals and royalties within the several provinces of Canada, and so on. I will not go into the whole section because I think members of the committee are familiar with it. Finally, among others there is section 92(5) which reads:

> . . . management and sales of the public lands belonging to the province and of the timber and wood thereon . . .

The section provides that these shall be matters in respect of which legislatures may exclusively make laws. I suggest that, taken together, we can come to no other reasonable judgment than that these constitute a grant of ownership pure and simple, free from the rights of federal taxation so far as provincial ownership is concerned. This is not just a matter of being given jurisdiction over a subject matter, being given jurisdiction in respect of roads, education or public works within a province: this is an outright grant of title, without restriction.

This is borne out by the terms of the bill in 1930 by which the federal government of that date returned to the western provinces jurisdiction over the natural resources of which they had been deprived since 1905. In the debate which took place in the House at that time, it is very interesting to note what was said. I wish I had more time to go into it. Perhaps I will later on, although I hope not. There is a very interesting comment made by Mr. Stewart, at that time minister of the interior, who when dealing with the question of what was meant by royalties said:

> [Mr. Munro (Esquimalt-Saanich).]
>
> Mining leases and oil leases are in the same category; they are subject to fluctuations in royalties.

He was responding to a question from R. B. Bennett. The rest of the debate shows, beyond the shadow of a doubt, that royalties and the right to change them were included in the outright transfer to the provincial governments and constituted a rental. The provinces rented out the natural resources of which they were the owners and got royalties in return. This was accepted in the debate and was the subject of the legislation at that time. Furthermore, the language used in the confederation debates which took place from 1864 to 1867 shows that at that time natural resources provided one of the methods by which provinces were able to finance their undertakings. For that reason, unlike the division of the subject matters, it was an outright transfer and ownership fell squarely to the provinces.

Then there were some legal decisions. I will not go into all of them now, although I may later. There is an interesting judgment of 160 pages in the court of Saskatchewan. I may have occasion to read it into the record at some time. It might be of use to the government. I hope I will not have to, but it is possible. There is the case of *Attorney General of Ontario v. Mercer*, where it was held that these provincial powers were the attribution of royal territorial rights. I wish the Prime Minister were here; that great, confirmed royalist who from time to time competes with the right hon. member for Prince Albert for being the greatest royalist. That judgment refers to—

> . . . the attribution of royal territorial rights for purposes of revenue and government to the provinces in which they are situate or arise.

There was another Ontario case which touches on this issue. The province of Ontario, in granting rights to a company within a timber berth, attached a condition by which the timber which was felled could not be exported out of the country to be sawn into lumber. That condition was attacked on the ground that it constituted an interference with the regulation of trade and commerce which of course is a federal matter. This case, tried by a trial judge, subsequently went to the Ontario court of appeal which rejected outright the argument that the condition attached by the province constituted an interference with the federal right to regulate trade and commerce. So it does appear, on the basis of existing jurisprudence, that certain rights are given to provinces to attach conditions to those natural resources of which they are the outright owners. Then there is the recent decision of Mr. Justice Hughes in the Saskatchewan case just decided, which upheld provincial laws relating to taxation and royalties with regard to minerals and petroleum products. As I say, that may be the subject of prolonged discussion later on.

So while admitting the wide power of general taxation given to the federal government, I suggest as strongly as I can that that power cannot, and must not, be used for the purpose of depriving a province of its property or as a blunt instrument designed to set aside the proper constitutional rights of the provinces. Such would be the result of the federal proposals now before the House, and in effect they have been so claimed by the Minister of Finance who makes it clear that the federal government feels the provinces are getting too much revenue from the rental they are charging for their petroleum resources. He has intro-

duced amendments through the ways and means motion which will shortly be before the House in the form of legislation. They are being inserted by the federal government for the plain purpose of compelling the producing provinces to decrease the amount of the rental they are charging for their own property. I say through you, Mr. Chairman, to the members of the committee, surely this constitutes an obvious interference with the enjoyment of property by the provinces.

In the same vein, the Minister of Energy, Mines and Resources contends that the federal government must have the unchallengeable and unquestionable right to reach into a province, fix prices in the province and determine the disposition of these provincially-owned resources whenever the federal government sees fit to do so. Surely these two federal assertions demonstrate the true purpose of the present government to interfere with the rights of ownership given by sections 109, 92 (5) and 125 and for all practical purposes will be aside by the unilateral decree of the Trudeau administration.

I ask members from the province of Quebec, particularly those on the government side who have applauded so loudly the action of the government, what would be their view if the federal power of taxation were to be utilized for a different purpose and the federal government were to say that they would impose an additional excise tax of 100 per cent on all construction material going to schools or universities which do not give predominance to the teaching of English, or were to amend the Income Tax Act so as to grant a deduction of some amount in respect of those students who attend only English-speaking universities? This would be a use of the taxing power for a purpose which I would not like. I say to hon. members from Quebec sitting on the government side: you would object to it; you would say it is unconstitutional; you would say it is wrong—and I would agree with you.

Let us come to the present impasse. In dealing with it, I shall deal particularly with the province of Alberta because the hon. member for Nanaimo-Cowichan-The Islands, in a thoughtful and knowledgeable speech derived not only from his experience in the House but from his knowledge as a former premier of the province, has dealt most effectively with the case of Saskatchewan.

● (1540)

According to the correspondence filed by the Prime Minister on November 28, on March 4 this year Premier Lougheed told him privately, in advance of publication, of the intention of the Alberta government to impose royalties at a given rate. This has not been contradicted by the Prime Minister. We must then assume that on March 12 when the Prime Minister sent a letter to the Premier of Alberta, and on March 27 when the federal-provincial agreement was being made here in Ottawa, and on March 28 when the Prime Minister made a statement in the House, he was in full possession of this particular information which he had been given by the Premier of Alberta.

It is true that the Prime Minister has told the House that he said to the Premier of Alberta that he was unhappy with royalties of this kind, and also said the same in his letter of March 12. He does not claim, however, that he made it clear that the federal government intended to meet this attitude on the part of the provinces by bringing in a budget, as was done in May of this year and repeated on November 18, which would disallow the provincial royalties; nor did he say he was going to bring in Bill C-32, which in April of this year was Bill C-18.

Mr. Chairman, I say that when the first ministers met at the residence of the Prime Minister on March 27, he owed it to the premiers, to Premier Lougheed, Premier Blakeney and the others, to display the same frankness as was displayed by Premier Lougheed. He should have said outright that the Minister of Finance, in his budget shortly to be announced, was going to disallow provincial revenues represented by the royalties outlined on March 4 by the premier.

Let us not delude ourselves. There can be no doubt at all that on March 27 the nature of the budget and the extent of the amendments to the Income Tax Act must have been within the knowledge of the Prime Minister. This is a document several inches thick, translated from French into English and English into French, with a bill following it. It was not prepared overnight. The effect of the budget, its intentions and its terms must have been within the knowledge of the Prime Minister on March 27 when he had the meeting in his residence on Sussex Drive, and on March 28 when he made the statement in this House.

Mr. Chairman, he also owed it to the producing provinces to tell them that, even though by their meeting on March 27 they had agreed to a Canadian price mechanism for petroleum products, there was at that time in existence Bill C-18 which gave vast, unilateral authority to the federal government to fix prices without regard to the provinces in spite of any agreement which had been or would be reached in future as to price structure. There is no question that such authority was in effect in that bill, and presently exists in Bill C-32.

I suggest these admissions show more than lack of candor, more than just sharp practice: they constitute a complete lack of understanding of the federal-provincial relationship. They fall dismally short of that degree of utmost good faith that has to be present if arrangements of this kind are to be of any value. They come within the description that I gave in my speech on November 28 as another example of "the suppression of the truth and suggestion of the false" which is one of the guiding mottos of this government.

I have restrained myself and have been remarkably mild in the things I have said, Mr. Chairman, but I must say that as a result of this we have come to a dangerous situation in Canada on the question of energy and the development of new sources thereof. We face economic problems of a grievous nature—not only with regard to energy but in a great many areas, when we see what is happening all over the world—which will require the utmost degree of federal-provincial co-operation. I do not think anyone on the government side will deny that. The question of federal-provincial co-operation is going to be paramount in the difficult months, and maybe even years, which lie ahead.

There is overwhelming evidence of a shortage of energy not just over the short term but likely over the long term. It is now quite clear that there is confusion and uncertain-

ty and that the program of searching for and development of new supplies has ground to a halt. There is confrontation and political warfare at the intergovernmental level, and grave danger—I say this advisedly—to the basis of confederation. Consequently, I say to members of the committee—I believe I reflect the thinking of most Canadians when I say this—it is imperative that the 11 governments quickly move together to repair the damage done. There must be a careful and thoughtfully put together proposal which will touch all bases on this question of energy, with the first priority being securing new sources of supply with recognition of the constitutional rights of the provinces as well as the need of Canadians for an agreement founded on fairness, equity and constitutional propriety.

I need hardly point out that this cannot be done against the background of the federal proposals now before the House and to be brought before the House. If the government attempts to bull these through at this time on the basis on which they have been put together, it can only lead to further deterioration of the situation. Our leader has indicated our position. Others in the House, with some exceptions, seem to take the same general attitude.

Does the Prime Minister want to be in the position of not calling a first ministers' conference until he has secured, by Bill C-32 and the budget proposals, the whip to bring the provinces into line even if it is a mutilation of the spirit of national unity? Does he want to go to the first ministers' meeting and fling on the table as his strong point, his ace in the hole, a constitution altered by closure in this parliament?

The Minister of Energy, Mines and Resources has maintained that he must have this legislation in order to have the power to impose the export tax and to provide the subsidies for the consuming provinces. There are other reasons as well, but I mention those two in particular. I say this is not necessarily so. I agree that if there had been agreement, this would be the way to do it; but I would suggest the record indicates that for some considerable period of time these two objectives have been achieved without the benefit of Bill C-32. The Oil Export Tax Act, which was passed some time ago and which retroactively levied taxes from October 1, 1973—it only received royal assent in January, 1974, and ended in April, 1974—is a precedent against the government's argument that Bill C-32 must be passed by the new year.

It will be noted that Supplementary Estimates (A) for 1973-74, which voted compensation from January 1, 1974, to March 31, 1974, did not receive royal assent until March 28, 1974. Thus, compensation was paid three months in arrears. I am not saying that this is the best way to move, but I am saying it has been done and it offers some answer to the Minister of Energy, Mines and Resources. There are other alternatives, however, which I should like to propose now in the hope that the government might consider them. It would be quite simple for this House to consider a supplementary estimate for enough money at this time to add to the present estimate of $330 million which I believe was passed in a previous supplementary estimate and is expected to run out some time in January. A further supplementary estimate would carry through adequate funds for the federal government to continue paying subsidies required by the consuming provinces until March 31, 1975, the end of the fiscal year. Should there be agreement in the House, I do not think such supplementary estimate would take too long to pass.

With regard to the collection of the export tax, there is ample legal authority under the provisions of the Export and Import Permits Act. I do not say that I like that act: I fought against it because there are some things about it which I did not like; but parliament passed it and the amendments. I have not time to go into the details, but I have checked it quite closely. I checked the regulations respecting the export control list. By amendment, petroleum products are now covered by the export control list. I suggest to the minister it would be possible to attach a condition to the export of petroleum products by which the tax could be paid.

● (1550)

However, if this does not appeal to the government, I am quite sure it would not be too difficult for there to be a ways and means motion to cover the collection of the export tax for the period I have mentioned. There is also the National Energy Board Act. There are several methods by which it would be possible for this parliament to ensure that the funds are in fact collected and made available for the purpose for which agreement was achieved on March 27 at the federal-provincial conference. There is little time left. I suggest to the Prime Minister and his colleagues who have been so involved in this matter that they forget confrontation politics. I will be frank and say it has not all been on the government side. Some of the provinces have been engaged in this. However, there are some very powerful forces afoot. There is a feeling on the part of a great many people in the western provinces, as was the case for many years with the Atlantic provinces, that they are the low people on the totem pole. That feeling is very pervasive today. I would like to see matters develop through the instrumentality of this House which would bring this to a stop.

I do not suggest that the government withdraw Bill C-32, but that it give consideration to putting it over until some time in the new year. This would give an opportunity for the 11 heads of government to meet. The finance ministers are meeting today. It may well be they are laying the foundation for a time and agenda for the first ministers' meeting. For that reason, I suggest this should be done. Confrontation should be put aside. The federal government should act with the provinces in a reasonable attempt to refill the reservoirs of good will and co-operation which have been sadly depleted in the past few months. With the aid of this House and the provinces, we should get on with the type of program to deal with the very pressing and dangerous problem which faces this country, and do it by going with, and not against, the grain of the constitution.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Mr. Chairman, we have had a suggestion by the hon. member for Peace River, which I gather is the same suggestion that he made privately to my colleague, concerning the Petroleum Administration Act. The hon. member also spoke at some length about the

budget, which I do not propose to do since we are now dealing with the Petroleum Administration Act. It might be useful, in the first place, to make some response to the various points the hon. member made in his argument so far as they relate to this particular bill and to put again the government's position with regard to this statute.

The hon. member made a suggestion which I am prepared to consider actively with my colleagues to see to what extent it provides a basis for arriving at a settlement which will not, as has been threatened, tie up the time of the House for weeks, and perhaps even a month or more. The hon. member addressed some remarks to the constitution. In speaking about taxing, I was not sure whether he was dealing with the income tax regime or the export tax regime. To the extent he was speaking about the income tax regime, I will not press the argument which in due course my colleague will undoubtedly want to refer to again. However, with regard to the export tax, not only is there a basis in the constitution for the export tax under the trade and—

Mr. Baldwin: I am not contesting that, Mr. Chairman.

Mr. Macdonald (Rosedale): I can only say I am not attempting to raise any income tax by the bill we are discussing. If that is not contested, that is fine. The hon. member referred to this regime as reaching into a province and dealing with a resource. That is obviously not a clear case under the constitution. Quite clearly, the management for the good or ill of a resource within a province lies with that provincial government. That is why, for example, although we think from a national standpoint it is of very great concern as to the kind of proposals put forward with regard to the development of the oil sands, this government has accepted the view of the government of Alberta that it is exclusively for that government to decide whether to set out on such development, and the federal government has not been encouraged to have any participation whatsoever.

I have within the past 72 hours made a suggestion which I hope will be helpful to Alberta in relation to the ARCO withdrawal from Syncrude. However, this government recognizes it is a matter of provincial jurisdiction, just as we have taken the position that except in so far as native rights might be affected by the James Bay development or except in so far as the James Bay Corporation or Hydro-Quebec may be applying in due course for an export permit to export any surplus power from that province, basically development of the James Bay area falls within provincial jurisdiction.

The real question is whether one is talking about interprovincial trade in a particular commodity or international trade, that is, export of a commodity. Does the federal government not have a right, and in some circumstances a responsibility, to moderate the national market according to the national objectives? The examples I gave when introducing this bill are still relevant. To answer the hon. member opposite, I would have to say that while he was not a member of the cabinet, the hon. member for Qu'Appelle-Moose Mountain and the hon. member for Prince Edward-Hastings were; they were members of the regime which introduced the National Energy Board Act and a national oil policy. They provided a system whereby the price of and trade in a commodity within Canada would be restricted and controlled in such a way as to create a favourable climate for one part of the country, namely, the Alberta producers, so they could sell their oil over the years at between $1 and $1.25 more in the markets of Ontario than would have been the case had those markets imported from abroad. That regime came under attack after the Diefenbaker government went out of office. In the successive Cal-Oil cases the supreme court held that these provisions were directly within this trade and commerce power.

I argue, on the basis of regulating interprovincial and international trade, there can be no question about the right of the federal government to take this particular action. I would agree with the hon. member when he said there may be no question about the right, but is it desirable to do that? I want to deal with that point in substance after I have dealt with a number of his other arguments. There is obviously a matter for concern about supply of oil in Canada. We have had an analysis of the situation by the National Energy Board. It indicated that unless certain measures are taken with regard to restricting exports from this country, by the year 1982 existing Canadian production will not be adequate to meet the markets that are now projected to be supplied from Canadian production with the increase in demand including the addition of the Montreal pipeline. This, obviously, has to be a matter of concern for all Canadians at both the provincial and federal levels.

I think it is fair to contest the question as to whether the budget or any particular statute has been the basis for a slowdown in oil exploration, particularly in Alberta. The best witness I could call with regard to whether it has been the budget, and that there has not been a climate of reduced exploration, at least in federal territories, would be Premier Lougheed. The December 6 edition of the *Globe and Mail* reports a speech made by Premier Lougheed to his constituency association. The article is by Thomas Kennedy. I quote:

> According to the premier, at the same time as the industry was urging Alberta to reach an accord with the federal government, ostensibly for the sake of domestic harmony, companies went ahead with spending on exploration and other commitments on federally held lands, even though "you didn't know what the rules are going to be".

● (1600)

> "Give us stability, give us certainty," Mr. Lougheed said the industry demanded of his government. "Yet you do not know what is going to happen on Sable Island."

It seems to me this is clear evidence—the premier seems to think it is—that there has been a substantial amount of exploration in federal lands and offshore. I would suggest the reason for the departure of the 40 rigs the hon. member mentioned has been given by the premier himself. He said:

> Regardless of the conditions here, the U.S. project Independence has diverted investments and rigs from this region.

That is the background of the situation. The argument that Canadian policy has in any sense been the basis for diverting drilling activity, and so on, from Alberta is, I maintain, a difficult one to sustain.

Mr. Baldwin: I am not saying it is the only reason. I am contending it is a factor.

Mr. Macdonald (Rosedale): The hon. member for Peace River always tries to be fair, and I appreciate that. To deal with some of his procedural suggestions, he says the objectives have been met in the past by a ways and means resolution. But a ways and means resolution providing, as it does, by constitutional practice authority to collect the tax in advance of action by parliament, has to be followed in due course by a tax bill. From this standpoint, the tax is now being paid by the companies as a result of a ways and means resolution and will, presumably, continue to be paid until that resolution expires either by the enactment of a bill or the ending of the session. There is, therefore, a legal basis for it.

Then the hon. member suggests a supplementary estimate so that adequate funds can be provided up to the end of the fiscal year. That is a procedure I would have to take into account along with my colleagues. I would have to raise some question with regard to the vehicle he suggests, the Import and Export Permits Act. To make what is, perhaps, a judgment from the saddle on the matter, my recollection is that the act does not apply to crude oil, which is dealt with specifically by the National Energy Board Act.

Mr. Baldwin: It does. When I first looked up the act, I had some doubt myself, but there has been an amendment to the regulations by which the definition of high energy fuels has been expanded to include petroleum products.

Mr. Macdonald (Rosedale): Well, Mr. Chairman, I guess that before expounding any more legal opinions I had better look up the law. At least we see the hon. gentleman's viewpoint. There is at least the prospect that we shall not find ourselves in a situation early in the New Year, in the depth of winter, where we find oil prices will have to rise in eastern Canada because of the failure of parliament to enact this bill.

I think it is worth while going back again to basic principles when looking at this legislation. The hon. gentleman has, in a manner of speaking, summed up the debate from his party's point of view. May I just do the same for a few minutes from the point of view of the government? As the House knows, the government wishes to continue to be in the position to cushion the impact of high oil prices in eastern Canada. It was on this basis that we proposed the measure which is now before the committee. The view of the government with regard to oil prices is that they should move in due course to a level high enough to attract the incremental investment necessary for the production of oil in Canada, but that they should not necessarily move to world levels.

Of course, it is not easy to say what incentive is required at any particular time to bring on this additional production. At the moment, however, we are not inclined to believe that the price should rise to world levels in order to achieve this result in Canada. While, therefore, we think the ultimate level may be below the world price we recognize that, if it must go higher in time, the adjustment to a higher price should come by a series of stages which cushion as far as possible the consumers of petroleum and petroleum products against the economic impact—not consumers in eastern Canada alone but in the whole of Canada, including Alberta itself—because of our decision to adopt a single price.

Mr. Benjamin: There is no argument about that.

Mr. Macdonald (Rosedale): Somebody says there's no argument about that. On the contrary, there seems to be a great deal of argument about it. There is a suggestion from Alberta that the price should be $10 a barrel. I would point out that an additional $2 a barrel is equivalent to one percentage point on the consumer price index, and hon. members know that at a time of grave concern about inflation, nationally and internationally, we would be well advised to cushion the effect of such increases in Canada to whatever extent is possible. This is a fundamental position taken by the government. We do not feel consumers should be obliged to bear the full impact of any cost increases in one shot.

Mr. Stanfield: Would the minister permit a question?

Mr. Macdonald (Rosedale): Certainly.

Mr. Stanfield: With regard to the one price system and the forecast that Canada will enter into a deficit position perhaps as early as 1975, is the minister in possession of any forecast showing to what extent exports will exceed imports in 1975-76? And can he tell us what this will mean in terms of cost to the federal treasury when it comes to preserving the one price system across Canada?

Mr. Macdonald (Rosedale): Yes, Mr. Chairman. Current levels of imports are around 750,000 or 800,000 barrels a day. The level of exports as of January 1 will be at about 800,000 barrels a day. But taking into consideration the higher quality of Canadian oil, even on the basis of this net balance there would be a surplus in the account in Canada's favour.

If exports of Canadian oil to the United States declined to 650,000, as I have proposed—and I may say I have discussed this proposal with both the producing provinces, and while there has been no final conclusion, the matter is now under consideration by them—there would then be a deficit of 150,000 barrels a day and there would, therefore, be a deficit in the taxation account, a lessening of the ability to find the compensation payments from the oil export tax receipts. Also worthy of note in this connection is that some time between now and July 1 we expect to meet with the provincial governments to determine what the price level should be. The exact exposure of the consolidated revenue fund at that time will depend upon the gap between the domestic price and the international price. For this reason I cannot be precise, but in principle there would be a deficit of some kind if we went down in mid-year. If we did not go down in mid-year, the problem would present itself at year-end, assuming the National Energy Board recommendations are being followed.

Mr. Stanfield: I wonder whether the minister could give us a forecast of the deficit position in the year 1976. I think he is assuming that imports will remain constant at 800,000 barrels a day. Does he have a forecast for 1976 of imports per day, on average, for the year and of exports per day, on average, for the year? I ask him this because it sounds as though this will be an expensive burden for the

federal treasury to bear. Does the minister have the basis upon which we can calculate how much it will mean for each dollar below the world price as the government tries to maintain a one price system across the country?

Mr. Macdonald (Rosedale): Mr. Chairman, the answer to that question would depend on the price level at that time and the extent to which demand had been restrained. If it is difficult enough to know what price level will be agreed in 1975, it is obviously even more difficult to do so with respect to 1976.

● (1610)

It could well be that there will be an exposure of the public treasury and that we will have to face at that time collecting from general revenue a sum sufficient to cushion those consumers in that part of Canada dependent upon imported oil. However, that is a step that will be taken at the time the situation arises. But I repeat that what I have said about the impact on consumers remains a matter of major importance. We should try to ease, as far as possible, the degree to which higher prices do have an impact upon Canadians.

Mr. Stanfield: Mr. Chairman, may I ask one more question and then I promise you and the minister I will not bother you again? Is the minister prepared to give any assurance that the one price system below the world price will be maintained through 1976, or is he saying that this is something that will depend upon a lot of conditions that he cannot forecast? In presenting this bill to the committee now, is he prepared to give the committee a firm assurance that a one price system will be maintained across Canada which is significantly below world price? After all, this is a major aspect of the bill.

Mr. Macdonald (Rosedale): Mr. Chairman, this is, of course, the government's objective. One of the interesting questions, of course, is what will be the world price at that time. Will Secretary Simon be correct in anticipating that the world price will drop off by several dollars, or will the OPEC nations, despite their indications of late, put the price up again further? Perhaps I might be excused from speculating about the world price in 1976 and what the regime will be at that time. The general approach of this government, which should commend itself to all corners of the House and to all Canadians, is that we should do our best within our financial means to keep the price down to the point where incremental supplies can be brought on from within Canada, without necessarily going wherever the leaders of the OPEC nations take us in terms of price.

Before the hon. gentleman's questions I had made some reference to what were the government's objectives in terms of oil. At the present time the price is dependent upon the will of the premier and government of Alberta. The position that the government takes—and this is enshrined in the bill—is that while every effort should be taken to arrive at an agreement with the provincial governments as to what the appropriate price level should be for this commodity, whether sold for export of sold into interprovincial trade, it should be the ultimate responsibility of the Government of Canada to determine a price level that is in the interests of all Canadians. In particular, it should not be left to the will of the premier of a single province, who after all is elected only by his local electorate and is responsible only to them; it is this parliament that must take the ultimate responsibility, and by this bill we seek to do exactly that.

Mr. Baldwin: Within the constitution.

Mr. Macdonald (Rosedale): Within the constitution. We have been talking about oil, Mr. Chairman, and I should now like to make a few remarks about natural gas which I think may have some relevance to what is behind the suggestion of the hon. member for Peace River. If he did not say so in so many words, I think he suggested that we should let this bill and the budget stand for a couple of months, have a federal-provincial first ministers' meeting and see if we can work things out. I think that was his proposal.

I would have to say that it is certainly a proposal worth considering, but the one difficulty we have regarding natural gas is that the legal regime now created in the province of Alberta means that unless action is taken during 1975 there will be an automatic escalation in the price of natural gas to consumers, an escalation which may be as high as 90 per cent of the price now being paid. In the last two years the prices of natural gas, which of course is sold under long-term contract, have increased from 16 cents a thousand cubic feet to 22 cents a thousand cubic feet. Today, the average price at which TransCanada PipeLines buys natural gas, as of November 1, 1974, is about 45 cents. That is the average price; a number of contracts are still at the 22 cents level, and the price ranges all the way from 22 cents to about 60 cents.

What is proposed under the Alberta arbitration act and by the producers in the province, with the support of the provincial government, is that the price of natural gas at the wellhead on November 1, 1975, should go to 85 cents a thousand cubic feet, which is about a 90 per cent increase over the present day average price. This price of 85 cents for all contracts will, as I think it can be seen, have a substantial impact on consumers in all parts of Canada.

May I again deal with the point made by the hon. member for Dauphin. His constituents and other Manitobans, per capita or per household, are greater users of natural gas than my constituents in Toronto and other parts of Ontario. Close to a 100 per cent increase in natural gas prices to the household is as much against his interests and the interests of the people of Manitoba as it is against the interests of those in Ontario and Quebec. So often this debate is put on the basis of the west versus central Canada; but the critical thing that he has to bear in mind is that when Premier Lougheed talks about the east in speaking of natural gas, he means everybody east of the Alberta border, including Saskatchewan and Manitoba, which provinces will themselves have to bear the impact of higher prices for natural gas unless action is taken of the kind proposed by this bill to moderate the price.

As I have said, I have given the committee the basis for oil pricing that the government has been following, and I should like to restate our approach to natural gas pricing. This is a premium fuel, a fuel which should be used, for example, in certain commercial applications but particularly for residential applications because of its premium qualities. It should not be used as far as possible for

industrial applications where, comparably speaking, either coal or oil could be used in competition with it. We recognize that the price of natural gas in Canada has to go up. But the proposal we have made to the provinces is that the increase, as with oil, should be escalated in small enough steps over a period of five years so that the full impact of the price increase does not fall upon the consumer right away.

I think I would be justified in saying that under the current law there is no way, except by an amendment of the kind proposed in this bill, in which one can prevent the arbitration process provided for by Alberta law from escalating the price at the wellhead and therefore passing on the higher prices to Canadian consumers generally. It is on the basis of avoiding this situation that we have proposed to the provinces that the price be escalated in stages, and we are suggesting that the only effective way to protect that staging is by this kind of amendment in the bill.

I appreciate the courtesy of the committee in giving me an opportunity to restate the reasons behind the government's thinking in regard to this particular measure. I also appreciate the courtesy of the committee in enabling me to adjourn the debate at five o'clock so I can have meetings with the Premier of Iran. The hon. member has made some interesting proposals which I shall have to discuss with my colleague, of course, but I am sure we will have an opportunity before long to return again to this fascinating subject.

Mr. Baldwin: Mr. Chairman, may I make one or two comments? The minister has spoken about central Canada versus western Canada. I do not like that kind of confrontation, which I think we can do without. However, I remember well as a young man in the west, when living in the northern part of western Canada, that prices went up because of tariffs, and also because of horizontal freight rates. I participated in some of the submissions made to the board of railway commissioners, as it was then, and the arguments that were put forward on behalf of those people representing what has been referred to as central Canada were to the effect, "Well, if you ignorant people want to live that far out in western Canada, you must suffer the consequences." I think that is wrong and I would hate to see it become part of this argument now—and I refer to what has been said over and over again.

● (1620)

I know there are difficulties; the minister does not need to tell me that. I followed this matter for years until I became involved. But I suggest they are not difficulties which are insurmountable. When I was young like the minister, the sap of energy and controversy ran through my veins, but as one grows older he grows a little more mellow. There is an old motto which the minister may know, being a lawyer, that a case settled is a case won. In any event, I cannot believe there are difficulties of the kind envisaged in this particular matter of energy supplies that cannot be solved by people of good will getting together on a fair, firm and equitable basis, respecting the constitution under which this country is governed.

Some hon. Members: Hear, hear!

[Mr. Macdonald (Rosedale).]

Mr. Baldwin: Let me tell the minister a story which illustrates my point. Not far from the town of Peace River, though not in my constituency now but in the constituency of the hon. member for Athabasca, so there is no conflict of interest, the Shell people were involved for a number of years in an in situ tar sands development project. It was estimated that there were anywhere from 15 billion to 50 billion barrels of oil involved. Shell worked for some five to seven years with the government of Alberta and the Alberta Research Council on this project. This involved some $40 million to $50 million at the outset, with more money available over a period of time. It was a pilot plant that was deemed fairly likely to be successful and would have brought a large, additional source into the stream of energy supplies of this country.

This is the kind of thing the people of this country demand the 11 governments take into account in their approach. I do not suggest that the fault lies exclusively with the federal government—and you can tell by my voice that I underline the word "exclusively". At the same time, none of these are problems that cannot be worked out by people sitting down together in good faith. For this reason, I suggest we buy time by the course I have proposed. I think the people of Canada will expect and demand that governments sit down and work this thing out, as I believe they will.

Mr. Macdonald (Rosedale): Mr. Chairman, I wonder if I might say that in respect of the specific reference to in situ tar sands development, I am in total agreement. It is for that reason we have laid some emphasis on the importance of research investment in which this government is prepared to engage, as well as in respect of oil sands development technology in order to reach, not just that portion of the deposit that can be obtained by what are essentially mining means but in trying to find a process through which we can obtain the nearly 500 billion barrels that lie much deeper.

The hon. member made some remarks about the manner in which the debate has been conducted. I note that the hon. member for Edmonton-Strathcona is back in the House. I would have responded to his question today except that we reached the end of the question period. I would have to say there has been an intemperate quality to the debate on both sides. Perhaps participants on both sides may have said things they wished they had not said in the heat of the debate. I would have to suggest to the hon. member for Peace River that putting the debate within the context of what has been done, against central Canada, is not the way to bring about a solution to the differences. There is really a national concern here.

As I said in my remarks about natural gas, in response to the hon. member for Dauphin, this has a much wider impact than he expressed in this regard. I would acknowledge that the discussions, if they can be discussions, or even a debate in disagreement could probably be conducted in a more temperate vein than has perhaps been the case in the past.

Mr. Symes: Mr. Chairman, I should like to ask a question for the purpose of clarification. When the minister was talking about increasing prices for oil and natural gas over a period of time, I thought I heard him refer to a

five-year period in respect of escalating prices for oil and natural gas. Is that correct?

Mr. Macdonald (Rosedale): No. It would involve phasing the price of natural gas to the price of oil in Canada as it may be determined at the time. The value of gas would be a commodity value based on the price of oil. We have proposed a five-year period in respect of the escalation in the price of gas. In fact the price of oil may be higher or lower, but the period we have proposed is five years in an attempt to restrain the impact as the price goes up.

Mr. Symes: Has the five-year period been agreed to by the resource producing provinces?

Mr. Macdonald (Rosedale): We have put the proposal forward to both the producing and consuming sides, but up to the moment it has not been agreed to by anyone.

Mr. Mitges: Mr. Chairman, I am glad to have an opportunity to take part in this debate on Bill C-32 respecting the administration of interprovincial, export and import trade in petroleum and petroleum products. After reviewing and studying the debates on this bill up to now, and after assessing the pros and cons of what has already been stated by various speakers on both sides of the House, I find it would be most difficult on my part to contribute to this debate and focus attention on any pertinent information that has not already been brought out by previous contributors to the debate. Therefore, I should like to direct the content of my remarks to perhaps a slightly different angle or approach.

As a member from Ontario, I feel we in Ontario have been caught in the middle of a continual harangue and bitter confrontation that has been going on at an ever increasing pace between the fuel producing provinces of Canada and the federal government. Ontario is a province which, by virtue of its vast industrial and commercial make-up, plus its large and extensive population, requires a great deal of energy to keep its furnaces alight and to guarantee the continuation of the many hundreds of thousands of jobs necessary to keep our economy bright. Yet, with all this, we are the most vulnerable of all provinces in so far as energy is concerned and we are obliged to recognize that our role is less than that of an innocent bystander at a boxing match.

I would humbly suggest that the people of Canada have "had it", they are fed up with this fruitless dialogue they have had to digest, and now demand a quick end to this charade so they will know soon where all Canadians stand and what to expect in the future, in order that we can begin to prepare ourselves as soon as possible for all the eventualities that might present themselves. The time is now ripe for both sides to bury the hatchet and start once again from scratch. The time is ripe for a new spirit of negotiation and consultation with some plain give and take by both sides. This is of tantamount importance if we are ever to solve this unfortunate but important problem.

Bargaining in a spirit of good will, honesty and good faith, rather than bargaining for political advantage, as I have observed, would indeed go a long way toward resolving the difficulties. Let us make sure we do not find ourselves, as many school boards and teachers in our province have unfortunately found themselves, involved in the constant bickering and confrontation which has been evidenced lately with both sides of the Ontario school educational system superimposing their own philosophies at the expense of each other, completely forgetting the innocent bystander, in this case the student, who is the ultimate loser as a result of the never ending dispute.

Likewise, Mr. Chairman, in this energy debacle involving the producing provinces and the federal government, the eventual losers will be the innocent bystanders, in this case the Canadian people, unless something is done, and done soon. I think it is mandatory that we end this confrontation and replace it by honest bargaining, in good faith, by all parties, that would be beneficial to all sides concerned and, above all, of lasting benefit to the people of Canada. This would be a most welcome factor in furthering the cause of national unity, a cause which needs the most careful cultivation and nurturing to ensure the moulding of all regions of Canada into a truly national entity in which we can all take pride and of which we can all be proud.

● (1630)

Miss MacDonald (Kingston and the Islands): Mr. Chairman, the government has been actively trying to promote the myth that the bill which we have before us, and the budget bills relating to federal taxation of royalties, are issues which concern only the producing provinces of Alberta and Saskatchewan and the federal government. Many members from western Canada have already spoken in this debate. But I speak on behalf of a constituency in Ontario because this bill poses a threat, not just to the prairie provinces but to all the provinces which must be wondering what resource area the federal government will try to take over next, and to all Canadian consumers whose supplies of oil and natural gas depend so heavily on successful federal-provincial co-operation in this area.

Behind this bill there is a fundamental lack of coherent energy policy in this country. In the formation of energy policy, where intelligent initiative and long-range planning are called for, we have seen nothing but reflex reaction. This bill is just one more example of legislation by reaction. It does nothing to provide an integrated, over-all energy policy to co-ordinate the development and delivery of our natural resources in the most efficient and rational way. Instead, by proposing unilateral action to set oil prices, an action which invades provincial jurisdiction, it introduces division and friction to an area where cohesion and co-operation are desperately needed.

Until we have a coherent national energy policy, each piece of the government's legislation can only be disruptive, like pieces of a jigsaw puzzle forced into a frame by someone, without any idea of the over-all picture behind the puzzle. The government unfortunately needs to be reminded of the obvious. In particular, it needs to be reminded that any energy policy is justified only if it makes the best possible contribution to the quality of life in Canada. The only exception to this might be whatever contribution we make to the poorer nations of the world. All other policies must contribute to the strength, unity and self-reliance of our nation. They must create communities that are varied, healthy, secure and stimulating.

They must create jobs and investment opportunities for Canadians that are challenging and in every sense rewarding.

All of this is so obvious that it is almost embarrassing to say it, yet the government is so caught up with the problems and pressures of the moment that it regularly responds with policies that do not meet these criteria. The policies of the government are rather unimaginative products of the conventional wisdom of the fifties and sixties, perhaps reasonable in their time but demonstrably unsuited to the seventies.

We badly need a plan, an integrated plan, of which all government policy is a part; a plan moved by a vision of Canadian society 50 years hence which is self-sustaining, utilizing all our resources efficiently and with a view to their long-term supply. But because the government has no concept of such a sustainable society, it has no plan for reaching it. Because it has neither direction nor plan, it moves from one crisis to another, all the time allowing our valuable, non-renewable resources to be consumed at rates that are not necessary, not reasonable and certainly not sustainable.

When I look at this bill there are four aspects of the government's failure to come to grips with Canada's energy problems which come instantly to mind. First, we find that the government has failed time and time again to get accurate figures on the demand for and supply of Canada's oil and natural gas. No more eloquent testimony to the government's ineptitude in forecasting ability can be found than in the white paper on energy issued last year by the Minister of Energy, Mines and Resources. On page 104 the white paper states categorically:

> In summary, the analysis suggests that Canada has more than enough energy resources available to cover her own use at least until the year 2050 and that there is a chance that there may be substantial amounts of oil and gas surplus to domestic demand.

This analysis was done just last year, yet last month we were informed by the National Energy Board that proven oil reserves cannot be expected to fulfil our own domestic requirements past 1982, even if all exports of oil to the United States are stopped. If those exports continue, the National Energy Board reports our oil self-sufficiency will end even earlier, in 1978.

The government has had to impose immediate cutbacks on our exports of oil, another reflex reaction. This government, which has already proven to be so inept in this field, now moves by means of this bill to increase substantially the regulatory powers of the federal government over oil and natural gas. Of a total of 95 clauses, 30 give complete discretionary powers to either the government, the governor in council, boards, or the minister. Moreover, the number of clauses granting the governor in council power to act by regulation and order in council has more than doubled from the government's previous bill, C-18. How could anyone vote for a bill giving so many powers of regulation over oil and gas supplies to a government whose record of forecasting in this area is so dismally bad?

Second, this bill substantiates the government's complete failure to work out solutions to our energy problems in co-operation with the provinces. Members on this side of the House have emphatically supported the idea of a single domestic price for oil across Canada, transportation and handling costs being considered apart. I think all members of the House accept the idea of the subsidy to cushion the price of oil in our five eastern provinces and agreed with the export tax for that reason.

[Miss MacDonald (Kingston and the Islands).]

If the government were to put these proposals to us in this committee pure and simple, I am sure they would be passed today. But what we object to, and what many Canadians across this land object to, is the unilateral nature of the federal government's proposals with regard to price. We in Ontario, living in a land-locked province with no substantial gas or oil reserves of our own and very little prospect of ever discovering any, are particularly concerned that the federal-provincial arrangements on energy should work smoothly and effectively.

At the moment it is largely due to the good will of Alberta and Saskatchewan that the price of oil to the eastern provinces has been equalized. If the retail price of oil in Ontario should go up in the new year, the federal government will be to blame. Our party pressed the cabinet to include in the supplementary estimates adequate funds to continue the federal subsidy on oil through to the end of March, 1975. But the government refused and has provided in those estimates for the subsidy to continue only until the end of this year.

Instead of uniting the country in the fact of an energy crisis, the policies of the federal government have begun to divide it. It is one thing to pour oil down the drain, as some of the government's inaccurate projections have more or less done in the past, but it is another thing altogether to pour the good will and good faith of the province down the drain with the same reckless abandon. The federal government may get away with its policy of imposing a tax on royalties on the provinces, but the ill-feeling and mistrust that would be generated among the different governments of this country will filter down and leave a legacy of ill-will and mistrust between the people of the east and of the west.

● (1640)

The third failure of the government with direct pertinence to this bill is its failure to produce anything more than rhetoric in the way of long-range energy policy. The cabinet apparently wants the power to control this area, but lacks the will to plan constructively for future resource development. The classic case here is that of uranium. Here is a resource on which Canada will have to depend more and more as our supplies of oil and gas run out. Here is a resource over which since the Second World War the federal government has had virtually exclusive jurisdiction. At present, for instance, all uranium produced in Canada must be marketed through Eldorado Nuclear, a Crown corporation, and any exports of uranium must receive authorization from the federal Department of Industry, Trade and Commerce.

It is undoubtedly from this perspective that the Prime Minister was involved last month in talks with the President of France over the building of an enriched uranium plant in the James Bay area. The government seems to be moving quickly to support the construction of such a plant. Already they are involved in an exploration agreement with France and Quebec with a view to a plant in this area; and Premier Bourassa spoke several times last

week, after communication with the federal government, as if federal approval was a very minor detail.

This is a project of vital importance to the future of Canada's energy supplies, one over which the federal government already has legitimate jurisdiction, yet all the government's statements have been either deliberately ambiguous or completely shrouded in secrecy. The only facts about this hydroelectric project and the enriched uranium plant to be made public have come from the president of Quebec Hydro, who has indicated that such a plant, if built, would cost over $3 billion, would use at least 2,500 megawatts of electricity a year and 18,000 tons or uranium oxide annually. We would be using one vast energy resource to create another form of energy—and all for export. If such a plant to enrich uranium were built with no thought given to our domestic needs, to the supply of the Candu reactors in operation or planned throughout the country, we would use up all of Canada's known uranium reserves within 22 years after the plant had begun operation. To date the government has taken no firm stand on this project. It has made no move to meet its responsibilities as the custodian of the country's uranium resources. Yet in this bill it is setting itself up as the national custodian of our oil and natural gas resources. One can only ask: what can justify this move?

The fourth area in which the government's record must be examined to see if there can be any justification for this bill is in the field of energy conservation. The government announced last week that it is to spend a million dollars on promoting energy conservation. Is this going to amount to anything more than a glossy, public relations campaign designed to put the pressure on individual families to conserve energy, in the absence of any positive action on the part of the government itself to conserve energy? For instance, the government is pushing ahead with the construction and utilization of airport facilities such as Mirabel and Pickering and larger jets, concentrating on a mode of transportation which uses far more energy per passenger mile than alternative methods. Investing massive amounts of our money in facilities designed to support greatly increased use of aircraft which use 2½ times the amount of energy of other modes of travel does not make sense. It is a classic example of dull thinking, imagining the future to be an extrapolation of the past, assuming that our metro areas will grow and grow when all the evidence is that such growth cannot be sustained.

How much more sense it would make to spend that money to achieve similar objectives, that is, the ability of Canadians to travel, with much less energy. How much more valuable it would be to improve the country's railways, stop the policy of branch line abandonment, improve the right-of-way of the Turbo, and participate with the governments of Ontario and Alberta—and, I hope, other provinces—in their admirable and pioneering efforts to develop various forms of urban transit.

There are other areas in which the government has failed to act, areas in which the government has responsibility to conserve energy, particularly with regard to petroleum products, where so far it has failed to provide direction or leadership. In his last budget speech, the Minister of Finance stated that the tax on heavy cars is designed to conserve energy. I wonder how much energy he thinks it will conserve. How many potential buyers of a Cadillac de Ville will be turned toward a lighter vehicle by a tax saving of $250, or how many buyers of Oldsmobile 98s will be discouraged by a tax of $135? This tax is a smokescreen calculated to make the government appear to be interested in petroleum conservation without, in fact, changing anything at all. Since all the largest cars are foreign cars designed and manufactured outside Canada, it is impossible to comprehend why the government is not willing to do something meaningful in this area.

Transportation is not the only place where the government has failed to provide incentives to conserve our energy resources. The CMHC code for residential construction has not ensured nearly adequate insulation. Canada has been passing through a period of great activity in the building of houses, apartments and offices. Because the government has been totally inert in encouraging conservation, many thousands of buildings contain much less insulation than they should. Year by year, every year for decades, they will require enormous extra amounts of oil, of gas and of electricity to keep them warm—due entirely to the government's failure to ensure otherwise.

The government has failed us, too, in its blind acceptance of U.S. emission standards for automobiles. A government that lets artificial islands be built in the Beaufort Sea without environmental impact studies has decided, in the name of the environment, to apply standards designed for Los Angeles and New York to automobiles in Moose Jaw and Fredericton. What is most remarkable of all about the government's total failure in the conservation field is that for the most part these measures save money. Ian Efford, of the Science Council, has shown how much would be saved by a relatively minor reduction in the rate of increase of electrical consumption in British Columbia. If the consumption increased 3 per cent per year instead of 4.5 per cent per year, the reduction in new facilities required by the year 2000 would amount to $2.8 billion, twice that province's annual budget. The savings possible if growth could actually be stopped would be triple that amount. Such enormous savings could be left in the pockets of taxpayers to improve their lot, or spent on improving services like housing, or both.

Not building Pickering saves money. Putting a significant tax on large cars increases revenues. Conservation measures also save petroleum for petrochemical feedstocks. So much of our present society depends on products made from petroleum and natural gas—solvents, plastic film, moulded plastics, cable insulation and, most important, the fertilizers and pesticides on which our agriculture is based. It is likely that this very long list will grow longer and that future Canadians will wish very much that their predecessors had not depleted the supplies so rapidly and irresponsibly by sending them up in smoke.

● (1650)

Ten years ago, few people in the world sensed the implication of what we were doing. Two or three years ago, the imminent and acute shortage of petroleum was being predicted very accurately. But the government chose to ignore the warnings. Now, everyone sees the danger—the oil companies, the consuming provinces, the

producing provinces, even the National Energy Board. Inaction now is inexcusable.

The government is not going to solve much in the long run by bills such as this. This is a band-aid bill designed to cope with a situation that should never have arisen. I can forgive the government their past mistakes, for they were in good and abundant company, but now the message of conservation, the need to create a sustainable and stable society, is writ so large that anyone can see. The government's failure to take tough decisions now to protect our future will rightly appear to future Canadians to be incredibly callous.

Mr. Jarvis: Mr. Chairman, in the few minutes left before five o'clock I should like to make a few remarks, some of which are prompted by the contribution to the debate in this committee last Thursday by the hon. member for Peel-Dufferin-Simcoe from the Liberal side. I respect the hon. member's integrity and ability and his contribution to this House, but for some reason he went off the rails in his contribution to the debate. In *Hansard* for December 5 the hon. member is reported as saying, at page 1972:

> I cannot understand why the Tory members from Ontario have not spoken on this bill . . .

I regret the hon. member's absence today because there have been and, I am sure, will continue to be many members from Ontario who will speak on the bill. Indeed, it is likely that all members from Ontario will speak, because the bill is of vital concern to that province. The hon. member also said on December 5:

> I ask the Conservative members from Ontario, Quebec and the maritimes if they really understand this bill and if they truly appreciate the implications if it should not go through.

I assure the hon. gentlemen that not only do members from those provinces understand it, but they are alarmed by the implications of the bill. It seems to be his position, in a simplified sense, that if you are for this bill you are for cheap energy, and if you are not for the bill you are for expensive energy. What the hon. member failed to direct himself to is the more important problem of there being any supply of energy. If he proposes to speak for the good people of his riding and the people of Ontario, I hope he will direct his energies principally and forcibly to that single issue so important to all Canadians no matter where they live in this country, namely, what are we going to do in face of reports now available from the National Energy Board and the Economic Council of Canada? This is the first independent information available to all members of the House and to all Canadians indicating where we, as a consuming nation, are headed.

If the hon. member insists on concerning himself solely with the matter of price, I would suggest to him as forcibly as I can that he is ignoring the bush because he is swallowed up in the trees. With respect to price, the hon. member should know, as the minister certainly does, that there is ample legislation available for the government to assure the price with which he is so concerned. We went through that exercise. Today the hon. member for Peace River and the hon. member for Kingston and the Islands made very clear just what was available to the government to solve this great preoccupation that the hon. member for Peel-Dufferin-Simcoe has with price.

[Miss MacDonald (Kingston and the Islands).]

But the matter becomes more serious than that, Mr. Chairman. For some reason the hon. member related this legislation to the productivity of agriculture. If I understood him correctly, he suggested that the potential productivity of Canadian agriculture is dependent upon this piece of legislation. He would indicate to the House that lack of increase in that productivity is directly related to the price of energy. I suggest that any increase in agricultural productivity is not related to the price of energy, but to an agricultural policy, or lack of one, such as exists in this country.

If the hon. member would like to increase the productivity of his farming constituents, I would suggest that he look to the Minister of Agriculture and the Minister of Finance for salvation. We have been told over and over again by the Minister of Agriculture, in this House and elsewhere, that this country is capable of producing 50 per cent more than it does, and never once have I heard the minister or anyone speaking on his behalf or on behalf of the government suggest that we will not be able to reach this capacity because of the energy situation or the price of energy.

Mr. Chairman, I wonder if I might call it five o'clock? I want to get into the broader aspects of this legislation, and I see about 30 seconds before the hour.

The Chairman: Is it agreed that we call it five o'clock?

Some hon. Members: Agreed.

[*Translation*]

It being five o'clock, I shall rise, report progress and request leave to sit again at the next sitting of the House. Is it agreed?

Some hon. Members: Agreed.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Hillsborough (Mr. Macquarrie)—External affairs—Role of Israel in deciding attendance of representatives of Palestinian Liberation Organization at Geneva conference—Position of Canada; the hon. member for Winnipeg North Centre (Mr. Knowles)—Social security—Reciprocal agreements on pensions with foreign countries—Possible agreement with United Kingdom and United States; the hon. member for Vancouver South (Mr. Fraser)—Unemployment insurance—Reason for denial of benefits to employees of British Columbia Railway—Government position.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on

today's order paper, namely, notices of motions and public bills.

Mr. Reid: Mr. Speaker, I rise on a point of order. I believe there is general agreement to take first motion No. 9 standing in the name of the hon. member for Rocky Mountain (Mr. Clark).

PRIVATE MEMBERS' MOTIONS

[*English*]

THE MINISTRY

SUGGESTED COMMITTEE STUDY OF POWERS, PREROGATIVES AND PRIVILEGES OF OFFICE OF PRIME MINISTER

Mr. Joe Clark (Rocky Mountain) moved:

That, in the opinion of this House, a committee should be selected to consider the powers, prerogatives and privileges attaching to the office of Prime Minister and to report what safeguards are desirable or necessary to secure the constitutional principles of the sovereignty of parliament and the supremacy of the law.

He said: Mr. Speaker, I should point out to the House that the language of this resolution was drawn from a resolution introduced to the British House of Commons on precisely this topic several years ago. I can say, in a certain hopeful sense, that the resolution was accepted at that time in that House. I hope it will receive similar treatment here today.

● (1700)

In the past ten years there have been a great many deliberate changes in our political institutions. New departments of government have been introduced and a range of new procedures developed from impact studies to local initiative of government spending designed to bring governments and citizens into closer harmony. Last year parliament passed the Election Expenses Act which will end the secrecy of political party financing and encourage all parties to become more active and more broadly based. The rules of parliament have been dramatically changed, and the Speech from the Throne suggested that more radical changes will be proposed. Those changes have been made deliberately, usually after extensive study and public debate.

In that period the office of Prime Minister has also changed dramatically, and it is one of the curiosities of our system that so little serious attention has been paid to the extent or significance of the power of that office. In the United States, books and theories and countless columns are written about the power of the presidency. In Canada, with rare exceptions, we focus for a moment on a sudden growth in staff or an expenditure on suede sofas, and then largely leave the question alone. However, it is too important a question to leave alone and the purpose of this resolution is to allow an examination of the role that should be played by the office of Prime Minister in a modern, federal parliamentary state.

I underline and emphasize the fact that what is sought in this resolution is an opportunity for a committee of this parliament to examine the role of the office of Prime Minister. The resolution makes no assumptions about that role except the assumption that the powers of the Prime Minister, like the powers of parliament, should be discussed and decided in public and in the context of the requirements and the traditions of the whole country.

Let me say a word about those traditions. In my view there is no tradition in Canada of a weak Prime Minister. We are told, in parliamentary theory, that the Prime Minister is merely the "first among equals" in parliament, with the assumption that Her Majesty can quite easily choose another of us equals to be first. That is the theory. In fact, the Prime Minister has always been a strong figure in Canada, with his parliamentary leadership buttressed by his party leadership and with official responsibilities and an official reputation far beyond those of his peers and at least equal to those of Her Majesty.

Therefore, the tradition is not the theoretical tradition of being merely the first among equals, answerable to the Queen but, rather, the practical tradition of exercising leadership in a federal state with a parliamentary system which requires the governors to be responsible to the governed through this parliament. Nobody is suggesting that we go back to a weakness that never was. However, throughout our history there has been another tradition to balance the necessary strength of the office of Prime Minister; that is, that the powers of the Prime Minister should not be developed or exercised in isolation but must be set in a federal parliamentary context and be subject to detailed and regular parliamentary scrutiny. There is no such scrutiny today.

The Prime Minister comes to the question period on most days, but the questions are usually about his judgment, seldom about his powers; and anyway there is no requirement that he answer. After the so-called Pearson precedent of 1968 there is a real question whether parliament can defeat a Prime Minister by vote in this House, except on matters of obvious confidence, like a budget. If our capacity to defeat a Prime Minister is so limited, so is our capacity limited to control him by the threat of defeat. As the chief minister, he is less bound by Treasury Board than any of his colleagues, and appointments to or by his office can be made without recourse to the Public Service Commission. His estimates are brought before the miscellaneous estimates committee. However, they are not dealt with there by him, but by a parliamentary secretary to another minister.

The Prime Minister reports to no standing committee and there is no statute to define his responsibilities. Ironically, parliament probably has less real control over the Prime Minister than we have over the president of Air Canada or the president of CNR, because a Crown corporation is established by statute while the Prime Minister's office is not, and its officials must appear regularly before standing committees while the Prime Minister's officials do not. No matter how loosely you define "responsible" government, parliament should have some direct control over the actions of its Prime Minister beyond his mere appearance for questions in the House. If that has been important in the past, I suggest it will be even more critical in the future, for reasons I will enumerate.

First, whatever the theory, the fact is that our system of government in Canada is a system of cabinet government, not parliamentary government. Occasionally, initiatives by private members are adopted by the government and from time to time members can amend a bill in committee or the whole House. However, the bulk of the power of initiative lies with the cabinet. It is the same in Britain, and one distinguished participant in and observer of the British system, the late Richard Crossman, suggested that in the system of the Mother of Parliaments, the process of a concentration of power has gone even further. Writing a decade ago in the introduction to Bagehot's "The English Constitution", Crossman said:

> In Bagehot's day, collective cabinet responsibility meant the responsibility of a group of equal colleagues for decisions taken collectively, after full, free and secret discussion in which all could participate. It now means collective obedience by the whole administration, from the foreign secretary and the chancellor downwards, to the will of the man at the apex of power.

We have no expert testimony on this trend in Canada, but it is safe to assume—and certainly it is the public assumption—that the Prime Minister controls his cabinet and that it is the Prime Minister, not the cabinet, and certainly not parliament, who regularly makes the final and the important decisions.

Second, the power of the Prime Minister grows as government grows. We have increasingly an interventionist state which controls or strongly influences more and more of the processes of our society. The merits of that development can be argued another time. The simple point I want to make is that as the government becomes more powerful in the nation, so does the leader of the government become more powerful. The present Prime Minister, by virtue of his office, has much more power in Canada than did Louis St. Laurent, John Diefenbaker, Lester Pearson or any of his predecessors. The state might have got out of the bedrooms of the nation, but it has more than made up for that everywhere else, and the one office that has grown most in power is the office, in Mr. Crossman's words, "at the apex of power".

Third, the same active agenda which has increased the role of government has decreased the power of parliament to control government. Parliament once had a virtually unlimited power to scrutinize and delay. While parties might disagree about the nature of specific reforms, all of us recognize that the old, easy rules would not have let the business get done. But we have paid a price for that reform, and the price has been that at the same time as the powers of the executive have increased, the powers of parliament have decreased; so we have less control on bigger government.

The fourth factor in the growing power of the Prime Minister is television. Today, every head of government has become a star personality whose advisers cultivate the talent to manipulate opinion and whose office has the permanent opportunity to command attention. Professor Denis Smith, in his article "President and Parliament" argues, and I quote:

> Canadian Prime Ministers have always made their primary appeal for support not in the House of Commons, but outside, to the electorate.

That is much easier now, with mass media. All of us here, if we are realists, know that the most effective place for a Prime Minister to get his message across is on television, not in this House. That is a fact of life which adds immensely to the power of the Prime Minister and diminishes, again, the capacity of this parliament to control an official whose whole authority is presumed in theory to arise from this chamber.

Fifth, the present Prime Minister has, in effect, established for the first time a new "Department of the Prime Minister" in the privy council office and the office of the Prime Minister. His purpose was to provide a means by which he, as head of government, could keep track of and co-ordinate the various initiatives of a mammoth government. I understand that purpose and, speaking personally, approve of it as the only means to ensure that there is, in fact, some over-all control of the direction of government by the elected politicians whom the Prime Minister commands. However, this new department was created in the absence of authority from, or discussion in, parliament. It operates beyond our scrutiny and, having the ear of the Prime Minister, it has the capacity virtually to change any direction or challenge any initiative that arises either in parliament or in the public service.

● (1710)

Without dwelling on them too long, I would suggest that certain other forces which traditionally have restrained a Prime Minister have been weakening recently. For example, we accept the notion, without much evidence, that Canadian political parties control their leaders and, in particular, prevent them from the excesses we associate with Watergate. But when did that last happen? Did the Liberal Party in Newfoundland ever restrain Joey Smallwood? Did the Union Nationale restrain Maurice Duplessis? Parties do not behave in that way because they know that in attacking their leader they attack themselves. This is particularly true now that campaigns are so heavily influenced by national media and voting is more often for the personality of the leader than it is for the local candidate or a specific issue.

Again, we have assumed that a Prime Minister can be controlled by the public which, at each election, has the chance to "throw the rascals out." However, public control of the Prime Minister depends upon a competitive electoral system. In Canada, the electoral system is, unfortunately, not competitive in Quebec, which means, as it did in 1972, that a Prime Minister can be rejected by most of the country and still survive.

Finally, there is the argument that the professional public service can provide a counterbalance to a powerful Prime Minister. That capacity also is being weakened, first by the deliberate establishment of a "Department of the Prime Minister", precisely to confront such a capability in the public service and, second, by the increasingly frequent appointment to public service positions of individuals who have personal or partisan loyalties to the Prime Minister.

Hon. members can disagree about the extent or significance of any of the factors I have discussed today, but I think we must surely all agree that two main trends are occuring. The first is a trend toward the concentration of formal and informal power in the office and person of the Prime Minister. Second is the weakening of any effective

means to control that power. In a modern state, it may well be impossible or even undesirable to reverse the first trend. But surely we cannot let that power grow unscrutinized and uncontrolled.

I think it is safe to say that if we saw a corporation, a union or any other private agency accumulating the power that is developing now around the office of the Prime Minister, we would want to develop some assurances that the public interest was being served. It is particularly important that we apply that same standard of scrutiny and control to an office whose original authority was as a creature of this House.

The resolution before us suggests simply that this is a matter which we cannot ignore. It does not propose a particular remedy or imply that anything improper has been done. It simply asserts that the tradition of parliamentary control requires at least a formal consideration of the powers which now attach, and the restraints which should apply, to the most powerful office in our political system. There is a danger, of course, that this discussion will be seen as simply one more step in a struggle for power between members on one side of the House and those on the other, or between the executive and the legislature. However, that is not the case, as I hope my arguments have shown. There is another dimension to the problem; it is the very real harm that can be done to a country like Canada by any concentration of power.

Our federal parliamentary system was not developed by accident or by simple, blind importation from elsewhere. We are a diverse country and we need institutions which both reflect and accommodate that diversity. The best institution for that purpose has been parliament, because it draws its membership from truly every corner of the country and has traditionally encouraged its members to express the views of their locale. But parliament was never designed to be simply a talking shop; the assumption was that the Prime Minister and the cabinet, who came from parliament, would heed the views of the various locales. If they didn't, in theory, parliament would bring them down.

But parliament, the forum of diversity, has lost this control over the executive, and the Prime Minister is increasingly able to construct a government which reflects his own views better than it reflects the diversity of the country. If that double trend continues—the weakening of the forum of diversity and the empowering of a particular group—those regions and attitudes which lack power will naturally tire of the system. That is the special Canadian danger of this kind of concentration of power, and it must be on our minds as we consider the powers and prerogatives of the office of the modern Prime Minister. Mr. Speaker, I thank the House for its attention and hope that this resolution will commend itself to the support of hon. members.

Some hon. Members: Hear, hear!

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I congratulate the hon. member for Rocky Mountain (Mr. Clark) for bringing this subject to our attention and also on the excellent speech he has just made in favour of his proposition. I agree with him it is important for us to examine the institutions of government from time to time, to analyse changes which concern us and question the direction government seems to be taking, especially if it is one about which we do not feel comfortable.

The hon. member would not expect me to agree with him in all regards, but I do share his concern about the way in which various government institutions are developing in an attempt to cope with the questions which confront them—questions to which there are no easy answers. The point I am making is that government develops in response to stimuli from outside. It is no accident that within the last 15 or 20 years the power, as well as the expenditure, of government has expanded to a remarkable degree. The government has acquired a whole series of new powers, not because of any particular attempt on its part to do so but largely in response to developments within Canadian society which have forced it to act, to legislate, to transfer authority in order to carry out detailed programs approved by parliament.

It is true that today, as when this country came into being in 1867, the Prime Minister is the first of equals. It is true now, as it was then, that the Prime Minister is called to his office by the Governor General. And it is true now, as it was then, that the Prime Minister calls upon colleagues of his in the House of Commons to sit with him and form a government which is responsible to the House of Commons. All this still applies. Nothing has changed. The Prime Minister is subject to parliament. The way in which parliament organizes itself is a significant factor in the success which it can expect in controlling the executive, of which the Prime Minister is the head—not the whole, not the heart and not the soul.

● (1720)

I think it is important to realize that the powers of the Prime Minister today are really no different from what they were 100 years ago; it is the scope of government that has widened. The powers of the government have increased, and with that increase and greater scope so also have the powers of the Prime Minister increased in keeping with the expansion of government in general. I think it is important to realize that the powers of the Prime Minister are totally dependent upon the powers that this parliament gives to the government.

Having said that, I think it is important to look at the development of the Prime Minister's office as it stands today. As hon. members know, it was the Liberal government in the days of Louis St. Laurent that brought in the concept of the executive assistant. It was the government of the right hon. member for Prince Albert (Mr. Diefenbaker) that brought in the concept of the special assistant—in other words, staff designed to serve the minister as minister.

What we have in the Prime Minister's office is the same kind of staff, except that the constituency of the Prime Minister is not a region in a province, in some cases in one of the smaller provinces, but the whole of Canada. For it is the whole of Canada which the government and the Prime Minister seek to govern, and to govern in tune with what they feel is going on. For example, half of the staff of the Prime Minister's office today works in the correspondence section. The Prime Minister received an unparallelled

number of letters. I cannot recall the exact number, but I remember that one year when I appeared before the Standing Committee on Miscellaneous Estimates it turned out that the number one subject about which the Prime Minister had received letters on that particular day was on the question of robins in New Brunswick and the campaign to save them, and the letters numbered some 11,000. All of these letters have to be answered, and so do inquiries; thus, a good 50 per cent of the bodies in the Prime Minister's office are engaged in correspondence.

The Privy Council office is an office of long standing. Even 25 years ago the Privy Council office comprised no more than a handful of officials who acted as a secretariat to the cabinet so as to ensure that decisions taken in cabinet were truly communicated to the departments concerned, and enforced. Under the changes that have taken place in the government, basically those same functions are being carried on. Because the Prime Minister is chairman of the cabinet, it is he who has the ultimate responsibility for ensuring that the collective decisions taken in cabinet are communicated to the departments and enforced by those departments. You will understand, of course, Mr. Speaker, that many departments put their own interpretation on what should be done, and because many of them have grown in response to the legislative demands we have made upon them, often they are not in harmony with the decisions taken by cabinet and they resist them. Those who are ministers and those who have criticized ministries know this to be the fact.

As for the responsibilities of the Prime Minister, he attends the question period daily. In point of fact, I think that if hon. members will check the record they will find that the present Prime Minister probably has one of the best records over the last 20 years for appearing in the House of Commons to answer the criticisms of his government made by members of the opposition, whose right and duty it is to put these criticisms to him. I think it is quite clear that the Prime Minister is not isolated; he is in the House in the question period and answers questions daily. These questions apply not only to his own operation but to the operations of the government as a whole.

There is no way that the Prime Minister can escape the barrage of questioning that comes from hon. members opposite. He is here in the House, he responds to those questions, and he is accountable on the floor of the House of Commons for any criticisms made by members of the opposition. That, I think, is absolutely clear. In point of fact, if one looks at the volume of questions it would be crystal clear in all our minds that it is the Prime Minister who responds to most of the questions. There is no question that he is the target of the opposition and number one spokesman for his government.

The hon. member for Rocky Mountain raised a very interesting point about the nature of our politics. He complained that this parliament is not necessarily the vehicle for holding the Prime Minister in check or for defeating the Prime Minister. I tend to agree with that interpretation. I myself regret that most of the important politicking in this country is not carried on in this chamber but, instead, takes place outside the chamber. I think there are two reasons for this. First of all, we tend to use this chamber not as a political forum. I think we waste our time doing too much with other things rather than concentrating on political issues. We also waste our time with antiquated procedures. We do not have the time to debate the issues that the Canadian public wants debated in public. I think that because the House of Commons has not taken action to deal with this reality, it has lost, and is losing, a great deal of respect on the part of Canadians.

About two years ago a Gallup poll that was published showed that the respect the people had for members of parliament and for parliament as an institution was declining. I feel that we are not making it our responsibility to check the government and to forcibly bring it to account. I think parliament can do a great deal more to bring its procedures into tune with the times. It can appropriate powers unto itself and become a much more effective forum.

This would mean that many members of this House would have to give up a lot of things which they regard as important and vital to the way in which they as individuals carry on their business. I submit, Mr. Speaker, that it would be an extraordinarily painful experience for many members of parliament if the House were to change its procedures, but I hope that program of parliamentary reform upon which the House leader has embarked will be the vehicle for making parliament more germane, more important, more the centre of political activity in Canada.

I do not agree with the former leader of the Social Credit party, Bob Thompson, who once complained to the Speaker that a terrible thing was happening in the House of Commons—it was becoming a political body and political debate was being introduced. I think that is the spice of this institution. It is important that we consider the way we behave and do business in this House, with a view to dealing expeditiously with those matters about which there is a great deal of agreement. We must put the important issues before the Canadian people, debate them and then find a mechanism for bringing them to a conclusion after meaningful debate, instead of the one-sided monologues that we have in this House at the present time. Because for debate to be meaningful there must be contributions from both sides. Under our existing rules and practices in the House, this does not take place; consequently, in many respects we are responsible for lulling the Canadian people to sleep instead of taking advantage of their natural instinct for things political in Canada.

I should also like to make the point that when the Prime Minister and ministers of the government find themselves going outside the House, over the head of parliament, as the hon. member for Rocky Mountain expressed it, there are two good reasons. First of all, it is helpful and healthful for both the Prime Minister and his ministers to get out of the House of Commons, out of the stultifying atmosphere that is Ottawa, to where the "real" people are, so they can become continually reinforced in their awareness that Canada is a land of diversity. If the Prime Minister, ministers and backbenchers were to stay in Ottawa all the time, there would be a tendency for them to get sucked into the kind of mentality that pervades this place. This is why members of parliament are able to come back here from their constituencies in all regions of Canada and contribute an input into the civil service

during the question period, in committee hearings and by making speeches on various subjects in the House of Commons. This could bring back the administration of the country to the House of Commons. My main point is that prime ministers and ministers go outside, into the country, for this healthful reason, and because it is an important form of communication with the electorate. Governments, prime ministers, ministers and backbenchers from all sides like to be re-elected. Any prime minister, minister or backbencher who finds himself losing contact with his constituency is not going to last very long around here. So it is healthful to go back and speak to your people and have them speak to you.

● (1730)

The Prime Minister (Mr. Trudeau) and other ministers have large constituencies. The hon. member for Winnipeg North Centre (Mr. Knowles) has a large constituency for which he speaks. He speaks for the old age pensioners and is recognized as one of their spokesmen, so it is a national constituency for which he speaks. The Prime Minister also has a national constituency, so it is very important for him to travel nationally, making a point of being seen and being available.

The fact that it is interpreted that he is going over the head of this House is an indication that this House is not in tune with what is going on, because if the House of Commons were in tune with what is going on, that charge naturally would not be made.

It is my hope that when we have the opportunity to deal with the placing of television cameras in the House of Commons, and making available the televised record of this House to those who wish to see it, this will mark a change in the approach we as politicians have taken toward the use of television in Canada. I think the existing scrum that takes place after the question period is a disgrace. It would be far better if cameras recorded what goes on in the House of Commons and transmitted it to the people in their homes, so that they could see what takes place in this place as well as anybody else.

An hon. Member: You better be careful because they will see the Cabinet.

Mr. Reid: Cabinet ministers often say to me that they never get on television. I think most Cabinet ministers would look with a great deal of anticipation to the opportunity of becoming television stars.

An hon. Member: I would rather watch Lassie.

Mr. Reid: It may well be that the Cabinet ministers and their families would be the only ones who watched, but at least the opportunity would be given Canadians to see the performance not only of Cabinet ministers but also of members opposite. That is also an important consideration.

The hon. member made reference to the fact that one of the ways in which the government could be kept in check is if we had what he called a competitive electoral system. I tend to disagree with the interpretation he places upon the situation, in that he said we did not have a balanced system. He referred to the province of Quebec and to the fact that his party has difficulty in getting seats there. My party has difficulty getting seats in the west. If you take a look at the total of all seats you will find that the two tend to balance off, except that I think we do much better in the west than the hon. member's party does in Quebec.

Surely the reasons for the situation are historical and have to do with the position that political parties have taken on the great issues of our time. They have to do with the way in which these parties are seen as the defenders of their interests. It may very well be that, in a country like Canada with such diversities, it is impossible for any political party to be popular simultaneously in all parts of the country. My feeling would be that if indeed a party could ever be simultaneously popular in all parts of the country either there would be something the matter with the political party or something wrong with the Canadian population. I do not believe it is possible, or that it would be particularly healthful.

I would reiterate the point I made in reply to the hon. member a few minutes ago. I think parties get their strength from the decisions they have taken while in government and in opposition. This is the result of the decisions taken by parties on public issues of the day. We have to take responsibility for the stands and decisions we take, and I think that is the only fair way to go about it.

I do not think the hon. member should say the political system is unbalanced. His party came far too close to winning in 1972, and if the party opposite had fought us as hard as it fought itself during the last federal election its hon. members might well have won and be sitting in these seats. That party did not win. Consequently justice prevailed, and truth is in the ascendant.

I want to deal with the constitutional relationship raised by the hon. member, and the concept of parliamentary democracy versus Cabinet government. It is quite true that we have a system of Cabinet government. It is also true that we have a system of parliamentary legislature. There is a distinction between the two. The job of the government is to govern. It is not our job as legislators to govern but to legislate.

If you were to take a look at the amount of legislation passed through the House of Commons over the last 15 or 20 years you would find quite clearly that the productivity of the Canadian parliament has been declining. This decline in the ability of parliament to cope with changing social situations and the necessity to legislate old legislation into conformity with new situations is one of the reasons why the Canadian parliament has not been highly regarded by the Canadian people in recent years.

The point I want to make is that there is no disharmony between the concepts of Cabinet government and parliamentary democracy. The Cabinet is drawn from the legislature and it is accountable every single day of the week in the House of Commons. The Prime Minister and the ministers are in their seats and questions are asked. In addition there is an unparalleled opportunity, I think unique in our parliamentary system, whereby parliamentary committees have the opportunity to question officials about the administration of legislation.

No longer must we be satisfied with the bland explanations we used to get in the good old days when estimates

were dealt with by the House in committee of supply, when ministers would sit there with two officials in front of them providing information. That information did not flow to members of parliament, and members of parliament had very little input in the administration of programs. We now have the opportunity, under the existing system, to influence not only the policy but also the administration of the policy. It seems to me this is a significant thing we have acquired, obtained or won, depending on your position.

What seems clear is that the government feels it is not receiving sufficient scrutiny in the House of Commons. I think the government feels that the calibre of the opposition in examining policies and programs is not as good as it should be. I think the government feels the need for that kind of hardnosed opposition, because it is that kind of opposition which keeps the government and civil servants on their toes. This is a vital part of the way in which the government comports itself inside and outside the House of Commons.

When the opposition is digging in on various government policies it is not surprising to see changes made in their administration, and hon. members opposite, as well as backbenchers on this side, have a significant input into the way in which governing is carried on here in Canada. This seems to me to be the role of the politician. It is not part of his political role, but is part of his role as a legislator.

If we are to talk in terms of bringing the Cabinet to heel and being subject to closer examination, it seems that members opposite have to ask themselves if the opportunities now available to them are being fully exploited. If you look at those opportunities in an objective way I am sure you will find that, in fact, the existing opportunities have gone by the wayside and are not being exploited. Parliament is the master of its own fate. It has the power to effect change, and the power if required to institute different procedures in order to redress an unbalance.

● (1740)

I think one would find that backbenchers on this side of the House and the government itself would be prepared to co-operate in bringing such an undesirable thing to a happy end because we feel that the basis of the democratic system in Canada is a Parliament which is respected and looked up to, Mr. Speaker. We feel this is not now the case. We feel the prestige of the government, of the Prime Minister—

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

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this is an extremely interesting subject that the hon. member for Rocky Mountain (Mr. Clark) has introduced. I suspect that many of us agree that it is unfortunate that there is only an hour for this debate. Of course that could be corrected if the motion of the hon. member passed and the matter were dealt with by a committee.

I believe one might also say there is more common ground between the hon. member for Rocky Mountain and the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) than one might have anticipated. Both, and I agree with them, feel that we should avoid having a one-man dictatorship, an all-powerful prime minister as the one and only person running this country. I agree with the view expressed by both preceding members that perhaps the best way to make sure that we do not have a master as a prime minister of this country is to strengthen parliament itself. I regard this motion as useful in that it encourages us to think of ways in which this institution might be strengthened.

I have a number of ideas, but I shall not have an opportunity to get them all across because one must not speak for too long in this hour. First, however, I want to say there are ways in which parliament is a stronger institution today more than it was in the so-called good old days. I was here in the days of Mackenzie King. Let me tell members on all sides of this House that the word of Mackenzie King was law with respect to every last detail in the operation of this House. He did not have to ask for unanimous consent in respect of things cabinet ministers ask for such consent today. He just said that was it, and that was it!

I remember an occasion in the 1940's when I had my first experience as a member of a committee on procedure. The committee had produced what I thought was a pretty good report. It was presented, debated for a day, and then it stood for some time on the order paper. In my naiveté as a young member, I wondered what was wrong. Brazenly one day I went over to Mr. King—I knew he was the boss; he was the one to see—and asked him if he could not do something about having this report brought back for further debate. His answer to me was no, that the report proposed that the House adjourn at 10.30 at night and that we could not possibly do that. He said that we had been sitting until eleven o'clock for years, and that the report was no good. Mackenzie King did not like the suggestion that the House adjourn at 10.30, and so the report was denied.

I remember later when I dared challenge him on something he had said which was out of order. I just about got put out of the place. Here was I, a young man in my thirties, criticizing the Prime Minister! Mind you, that was a day when children were more respectful of their parents, and a day when teachers and principals ran the schools. Society has changed. Today backbenchers have a voice, and cabinet ministers and prime ministers do not rule the roost in terms of superficial details, if I may call them that.

One other factor in those days was that we did not have the sound amplification system, and many members of the House of Commons in the fourth or fifth rows did not speak during a whole session because their voices were timid and they could not be heard. Some of us who could shout and be heard thought that the introduction of the sound system was unfair because it gave an opportunity to the timid souls to be heard. Times have changed, and participation by members in all parts of the House is much more the case now than it was in the forties.

There was a similar situation in respect of the French-speaking members in those days because it was an English-speaking House, with the translation of the French appearing at the end of *Hansard*. Many times a translation did not appear at the end of *Hansard* because the French-

speaking members saw no point in speaking because they were not understood. A change came about in that regard.

When I first came here, at the beginning of a session a first meeting would be called, in one room, of the 20 or 25 committees for the purpose of electing the chairmen of these various committees. I remember that one day at that mass meeting I asked if there was a quorum present of the particular committee of which I was a member and for which a chairman was being named. I was told by the government whip of that day that it always had been done in this manner and that the chairmen were elected in this way. I was put in my place.

Most of the committees did not hold meetings. I would say there were a good dozen committees that would go through a whole parliament without meeting, or meeting perhaps only once, such as the Committee on Printing to agree not to print certain documents, and the Committee on the Restaurant to approve raising the price of meals in the dining room from 50 cents to 75 cents, or something like that.

There is now far more participation by individual members of all parties than was the case when I first came here. I say this with some regret because in those days we, as members of a small party, were the prima donnas and we produced the action. Now there are prima donnas in all parties; there is the electronic system and everybody gets in. There is, as I said, more participation by private members, and this is good.

I think there is a good deal of merit to what the last speaker said about the question of respect for parliament today. I also agree. I think one reason is that we do not make the best use of our time. We spend the same amount of time on unimportant as on important issues.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I hope we will adopt a system—I may put it in as precise terms as I see it—whereby we decide every session that there are three categories of bills, routine and quite unimportant things, things that have a reasonable measure of importance, and then the crucial ones.

In respect of the routine housekeeping measures let us not spend any time on them at all, but ship them to the committees.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): As for the medium group I suggest we should have an agreement that there would be a certain number of hours for debate on any one of those bills.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): My next suggestion should receive applause from this side of the House. I say that the opposition should have the right in every parliament to say that there are five or six bills which we regard as crucial, and that these must be before the House without a time limit. The result is that we would spend most of the available days on five or six crucial bills, but let the routine and medium class bills be dealt with in a routine way. I think then we would have sharper debate and would increase the respect held by this country for parliament.

I feel the same way about estimates, the study of which is another major function around here. I think the way we spread ourselves over the whole gambit of billions of dollars, and do not do a very good job on any, is wrong. I would rather see us handle half a dozen departments a year so that we would do the whole job in the course of a four-year parliament. I would also like to see us bring back to the floor—I realize what the member said about the value of doing things in committee—three or four departments a year at the choice of the opposition—and I think an element of surprise would have a salutary effect—so that when we study the estimates we would do a really thorough job.

● (1750)

I have lots of other ideas, but that is enough time for me to take today. I agree completely with my friend, the hon. member for Rocky Mountain, that we do not want a master prime minister; we want parliament to be supreme. I agree with the hon. member for Kenora-Rainy River that the way to do that is to look at our procedures and try to strengthen them. I believe we can do so, and I hope we can get at this very soon.

Mr. D. M. Collenette (York East): Mr. Speaker, it was not my intention to participate in the debate today, but having listened to the motion put by the hon. member for Rocky Mountain (Mr. Clark), to the comments of my colleague, the Parliamentary Secretary to the President of the Privy Council (Mr. Reid), and those of the hon. member for Winnipeg North Centre (Mr. Knowles), I felt compelled to make some comments and, like the hon. member who spoke before me, I shall not take too long.

It is always very difficult for a new member, especially a young member, to follow someone such as the hon. member for Winnipeg North Centre who has so much under his belt, so to speak, in parliamentary experience. I think that most of my observations will be on a purely academic level since I was a student only a few years ago.

The basic argument that we have before us in the motion of the hon. member for Rocky Mountain is that we should achieve some balance between historical growth, the evolution of society, the government and the role of the executive, and the accountability of the parliamentary system.

Let us consider first how our system developed. We must remember that the role of prime minister started originally back in the Middle Ages when kings used to rule England and they chose two or three advisers. After a while, as various kings decided to attack other countries to expand their domain, they found they needed more advisers. They had to build up their own administrative system. Later in the Middle Ages we saw a growth in the court around the king. Then the king started to choose one principal adviser. Gradually, that person gained preeminence. At the same time the administrative or support staff of the king gained in influence, while the power of the kind started to decline.

Office of Prime Minister

In the civil war in the 1600's in England the real power of the king started to wane. Of course, in 1649 King Charles I had his head cut off, and what better example of accountability can there be? As you remember, the long parliament made the decision on Charles's fate and gained more and more power. We saw after the years of Cromwell the restoration of the monarchy with King Charles II and then King James, but royal power was never the same again. Parliament gained control over money bills and generally took a greater part in the affairs of the nation.

I suppose we saw an increase in the power of the executive in the time of King George III. For those of you who are perhaps a little rusty in British history let me say that King George III was the one king who, unfortunately, had certain physical problems that everyone thought were a mental illness. Some days he functioned, some days he did not. Of course, it would never do to run a country that way. There must be a functioning executive every day of the week, I should think. Then the cabinet started to assume powers. Lord North was the fellow who took on this mantle. He became a powerful first lord of the admiralty or first lord of the treasury.

Gradually we saw the evolution of the office of prime minister with Sir Robert Walpole. In 1910 the change was completed by the parliamentary act of 1910 or 1911 when Sir Herbert Asquith went to the king. During the constitutional crisis the king had threatened to create more peers if the House of Lords continued to impede the legislative process. Parliament gained power all the time.

Finally we come to today, in the last fifty years, we have had two world wars, an economic depression, a rapid growth in technology, and a rise in the standard of living across the world. The demands that people in Canada, and people in the western world generally, have made upon their leaders have also greatly increased. As a result, the power of government has grown. It is only natural that the powers of the executive, the cabinet, the Prime Minister, have grown too.

We should take a look at our system today in the light of what is happening on the American political scene. We saw the chief executive officer under siege in the last couple of years. It was so tough to get at him that it tore the country apart. My colleague, the hon. member for Kenora-Rainy River, has shown that our Prime Minister (Mr. Trudeau) under our system is accessible not only to members on the government side but to members of the opposition as well. He is in the House just about every day of the week. Questions that are posed to him are ones that he does not take lightly.

A comment was made by my friend, the hon. member for Rocky Mountain. He decried the fact that today the Prime Minister and ministers appeal to the news media, the press, and that this is the way in which they get attention, not through the House. However, that is one of the facts of the cybernetic revolution, if you would like to call it that. I think what has happened to society is beneficial, because in an age of rapid growth of technology it is the media that are forcing questions. We have seen this only last week. The Prime Minister was not here of course, but we saw how the rapid change of events could be seized upon by the media, and questions from the opposition reflected what was going on outside.

[Mr. Collenette.]

I could go on, Mr. Speaker, but I see the clock. May I call it six o'clock?

Mr. Deputy Speaker: Order. The hour appointed for the consideration of private members' business having expired, I do now leave the chair until eight tonight.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

IMMIGRATION ACT

AMENDMENT—MAKING IT AN OFFENCE FOR DEPORTED PERSON TO RETURN TO CANADA WITHOUT CONSENT OF MINISTER

Hon. Robert K. Andras (Minister of Manpower and Immigration) moved that Bill S-12 from the Senate to amend the Immigration Act, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, I appreciate the opportunity to set this bill before the House this evening for at least second reading, and perhaps in view of some conversations that have taken place, we might even proceed beyond that by the adjournment hour, if the disposition and will are there, to do so.

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, I wonder if we could not have agreement right now for the motion to read: "referred to a committee of the whole House". I think there would be agreement to proceed in that way.

The Acting Speaker (Mr. Penner): Order. Hon. members have heard the suggestion of the hon. member for Winnipeg North Centre (Mr. Knowles). Is it agreed?

Some hon. Members: Agreed.

Mr. Epp: Mr. Speaker, we would agree to that arrangement.

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

Some hon. Members: Agreed.

Mr. Andras: Mr. Speaker, may I express my appreciation to the House for that accommodation. It prompts me, along with an aside from across the floor, to keep my remarks as brief and non-controversial as possible. Even as short a bill as this, however, requires some explanation and elaboration. I am sure we will be able to examine it responsibly before we dispose of it this evening.

It is a very short bill and I frankly admit the proposed amendment is a measure which should have been taken

long before this. I find myself slightly embarrassed by the fact that a year or so ago,—subject always to the will of parliament and after consultation with people concerned with the subject matter of the bill—I made certain commitments that I would do my best to present it persuasively to the House for passage as soon as possible.

What it boils down to is that section 35 of the present Immigration Act, which deals with deportees who may not return to Canada, reads as follows:

> Unless an appeal against such order is allowed, a person against whom a deportation order has been made and who is deported or leaves Canada shall not thereafter be admitted to Canada or allowed to remain in Canada without the consent of the minister.

As I am not a lawyer, when I first saw that I thought we were reasonably well protected, but I have since found that is not the case. Hon. members will be able to tell from the bill that we propose to amend that section to read as follows:

> 35.1 Every person against whom a deportation order is made who
>
> (a) is deported or leaves Canada, and
>
> (b) returns to Canada without the consent of the Minister,
>
> is, unless an appeal against the deportation order is allowed, guilty of an offence and is liable
>
> (c) on conviction on indictment, to imprisonment for two years, or
>
> (d) on summary conviction, to a fine of not more than five hundred dollars or to imprisonment for six months or to both.

The original wording of the act constitutes a serious loophole in our deportation law, and our legislation is acquiring increasing significance as time goes by. The loophole is the lack of a significant deterrent to previous deportees who return to Canada without the consent of the minister.

● (2010)

The reason it is a loophole is that Section 35(1) of the current act places the burden of proof on the examining officer of the deaprtment rather than on the person who has been a deportee and who is attempting to come back into Canada. The burden of proof is there. It reads "shall not thereafter be admitted to allow to remain." That, of course, is the action or otherwise of the admitting officer, and not of the deportee. It is a silly situation. We have had some ludicrous results from it. I will not bore or titillate the imagination of the House by detailing them all.

I have seen some evidence, however, about one chap who came across the border 12 times, another 17 times. We were not able to deter them. All we could do was send them back from whence they came. The very fact they repeated this action so frequently indicates there is no deterrent there. Such a person does not mind being deported once more. It is apparently more profitable for him, whatever way he would describe profitability, to take his chance on being deported again, because that is the only punishment he would incur.

Mr. Knowles (Winnipeg North Centre): He is a commuter.

Mr. Andras: That is right. I am told that we had a ridiculous situation where the deportee was escorted to the border and put across it by our escorts responsible for getting him there, who then made the mistake of stopping thereafter for a cup of coffee, with the result that the deportee was once more back in Canada before them!

I do not say this totally facetiously because this is a serious enough matter. In addition to the weakness in the wording of the act as it now exists, and which I hope to get the consent of this House to change, it having been dealt with in the other place, there is the horrendous problem we face in terms of the number of border crossings annually. It makes this an empty deterrent for people who want to come here. Between 35 million and 40 million foreign visitors annually cross the border into Canada. Approximately 30 million Canadians leave Canada and return. With that arithmetic members can visualize something in the neighbourhood of 70 million border crossings into Canada annually.

Each one of those crossing has by implication the necessity for someone to make a judgment as to admissibility into this country. In actual practice, that would be impossible. I do not think anyone in this House would subscribe to the idea that we set up a bureaucracy to be able to examine each person who enters Canada in terms of those kinds of numbers. If those who are inclined to criticize the government for the growth of the civil service would recommend that we do such a thing, they would be on very tenuous ground indeed. Apart from the numbers we would need to man our borders to examine each and every person who comes in, the implication of what I could only call a police state would be frightening to the most hawkish among us.

Yet the wording of the act is such that if an officer does not ask a question of the person entering Canada who could be a deportee, it would be very difficult for us to prosecute and get a conviction of that deportee under the law as it now exists. The deportee does not have to volunteer the information that he has previously been deported from this country. If he does not lie or get in by falsehood, we cannot pin upon him an accusation of coming by stealth which is necessary to charge him under certain sections of the Criminal Code. There really is no penalty, and therefore no deterrent in the case of a person trying to get into this country.

We do not claim there are great numbers of people who abuse this situation. When I mention such large numbers of crossings as 70 million per year, I do not want to convey the impression that a large percentage of individuals who have been deported from this country are in fact coming back across the border. However, the fact is that this is a situation in which the numbers who abuse the system are not really the important aspect. It is the type of people who do this that bothers us most.

I do not think I am exaggerating when I indicate to hon. members that very often the kinds of persons such as those about whom I gave illustrations, who cross back quite regularly, were involved in criminal activities. They come to Canada for very unacceptable reasons and are, in the main, themselves very unacceptable people. They are the very kind of people we are determined not to allow freedom to, so that they may move about this country and prey upon people who are legitimately here.

The effect of the proposed amendment will be to make it an offence to return without the minister's consent, thereby creating a deterrent and doing this in a clear and

understandable manner which anyone can follow, and without any question of our ability to prosecute, and to punish in the case of prosecutions that are successful.

As hon. members will note, there is an option as to the form of prosecution. The offence may be dealt with by either summary conviction or on indictment. There is also a range of punishment in response to the seriousness of the crime, which would be judged by the court, in the provision providing this option. It would of course be up to the Crown prosecutor to determine whether to proceed by way of indictment or summary conviction.

As is the practice with all these kinds of wordings which appear very often throughout our legislation, the Crown prosecutor would take the circumstances of the case into consideration in deciding to proceed by either indictment or summary conviction. Regardless of the method chosen to proceed, it would then be at the discretion of the judge to decide the severity of the sentence up to the maximum of two years and/or the fine which would be imposed.

As is standard practice, the judge would consider the circumstances in imposing sentence upon conviction being established. I might point out that the judge does not have to impose the maximum provided by this amendment. He might impose the minimum, which could be one day in jail or an absolute discharge. The range of deterrent is there. Our courts have proved their experience in applying judgments and sentences wisely in relation to the circumstances.

It is not our intention to see this treatment rendered indiscriminately to each and every violator of this section of the act. Again, circumstances could determine it. For example, it is not intended to institute prosecution of a person who comes forward to a port of entry, even though he or she may have been a deportee, if only to seek advice. Nor will this apply to someone who might come to the border and be turned down at the port of entry. It is to permit prosecution of those persons who succeed in entering Canada without the required consent.

● (2020)

I should also like to advise hon. members that it is our intention, and I am sure it will be the practice of any of my successors in this portfolio, to exercise compassion in certain circumstances. A deportee might be coming forward for a very urgent matter, an understandable matter such as an illness or a death in the family in Canada, or even a more happy occasion such as a wedding or a celebration, without having had time to present his or her case for return, that is, to receive the consent of the minister, in advance, which, of course, would be the proper way to do it, need not lie about his or her previous deportation because it would be our intention to issue minister's permits and such authority could be delegated, as is often the case, to regional officials across this country.

So, again, provision for people who deliberately want to beat the system is there and the deterrent is there, but in cases where there are genuinely compassionate grounds existing we will not hold those people up; we will be letting them in, temporarily, of course, on a minister's consent, provision for which is made in the bill.

[Mr. Andras.]

As hon. members will also note, we have been careful to protect the appeal system. It is my understanding, from legal advice I have been given, that the upholding of an appeal, or quashing or staying of a deportation order, would not leave the person involved with a stigma, thereby attracting the punishment of the law as we are amending it here in terms of the deportation order. So where a deportation order has been made but an appeal upheld, or where it has been quashed by the Immigration Appeal Board in the exercise of its special jurisdiction on humanitarian or unusual hardship grounds, a person would not be considered a deportee for the purposes of the act.

I am grateful for the co-operation indicated in the opening minutes of this debate. I am very keen to hear the views of the hon. members about this situation during the time which remains to us, and I look forward to the continuation of the debate with gratitude to all hon. members for their apparent willingness to give this bill speedy passage.

Mr. Jake Epp (Provencher): Mr. Speaker, there are a number of observations I should like to put on record in connection with Bill S-12 and the so-called loophole it is designed to close. The Immigration Act is being amended at a time when many of us are awaiting the government's green paper on immigration policy. No doubt this will contain some interesting information regarding immigration problems and the annual growth in Canada's population.

The bill is unique in my experience, at least, in that it has been introduced and passed in the Senate, so the minister's comments when he appeared before the Senate Committee on Foreign Affairs, are now before us. The relevant section of the act presently reads as follows:

> Unless an appeal against such order is allowed a person against whom a deporation order has been made and who is deported or leaves Canada shall not thereafter be admitted to Canada or allowed to remain in Canada without the consent of the minister.

The argument against the present law is based on the fact that a person who has been deported is able to return to Canada immediately without any penalty being imposed on him. The only penalty which could be inflicted on such a person would be to deport him again, and this procedure could be carried on indefinitely, if one cared to do so. Bill S-12 makes it an offence for such a person to return to Canada without the consent of the minister. If a person who had not received such permission returns to Canada after having been deported, one of two things could happen—he could be found guilty on summary conviction and suffer the penalties spelled out in the bill before us, that is to say, a $500 fine or six months' imprisonment or a combination of both, or dealt with as having committed an indictable offence for which the maximum penalty is two years.

The minister explained that his authority in this area would be exercised with a certain compassion—that he would be guided by humanitarian considerations. He mentioned, for example, illness or death in a family, or some urgent family matter, and stated that in such circumstances leniency would be shown. This aspect was considered in the other place when the bill was under consideration there, and I am glad the minister has referred to it in some detail today.

It could be argued that the subject of deportation and the penalties for which deportees returning to Canada are liable are already covered by the Criminal Code and the Immigration Act. Section 46 and 48 of the Immigration Act address themselves to these circumstances, as does section 115 of the Criminal Code, for that matter. The person concerned is prohibited from returning to Canada, but a duty is placed specifically on an immigration officer to ascertain whether or not that person has ever been deported. The onus, in other words, lies not with the person entering Canada but with the immigration officer, and if the person entering Canada does not of his own free will inform the officer that he has previously been deported he is not liable under the law. This is the loophole my party would like to see closed.

● (2030)

We could argue that section 46 of the Immigration Act should have applied during this period of time. I was rather shocked to find, on reading the report of the proceedings in the Senate, that the government has not attempted to convict any people under these acts since the legal advice received by the minister was that these sections were not specific enough to be able to get a conviction. Thus Bill S-12, in essence, creates a new offence whereby if a person re-enters Canada without the express permission of the minister he will be liable to an offence under the laws of Canada as spelt out in this bill.

The so-called green paper that is going to lead us into this great national debate of ours opens up all kinds of questions regarding immigration as well as the deportation of those who come to Canada illegally. We are very concerned that the government and its officials be given the power to regulate immigration, and specifically those immigrants who disobey the laws of Canada. However, I was completely surprised to hear the minister say he really did not have the power to prosecute those who, having once been deported, return to Canada, and that the only thing he could really do was to give them another one way ticket out of the country at our expense.

Under section 5 of the Immigration Act, which deals with the so-called prohibited classes, it is my understanding that the minister does have the power to declare that a person is within that prohibited class. Then there are further sections in the act dealing with the prosecution of those people who, having once been deported, return to Canada. Just as an aside, one of the subsections of section 5 of the Immigration Act relates to people suffering from epilepsy who now cannot enter Canada. I have written to the minister about this particular matter because I feel it is a discriminatory aspect of the act that should be removed as soon as possible. Therefore I thank the minister for assuring me and the House that this part of the act will be removed at a very early date.

Some hon. Members: Hear, hear!

Mr. Epp: Under section 5 of the act, as well as in Bill S-12, there is no power of enforcement. However, the minister and the government will have the support of this party in getting on with the job of keeping undesirables out of the country.

To a great extent immigration is, in my opinion, in a mess. I know the minister has attempted through various means to exercise some control within the immigration department over the numbers and types of people who come to Canada. I should like to quote from the Senate debate on immigration and the control thereof. The government leader in the Senate, Senator Ray Perrault, spoke specifically about what he thought of the immigration situation today. As reported at page 166 of the Senate debates for October 23, 1974, he said:

> Honourable senators, with respect to the need for this amendment to the Immigration Act, I would say that I come from an area which has been afflicted most adversely by those who contravene deportation orders. It has become a serious problem in the Vancouver area, and especially in the whole of southern British Columbia. Montreal and Toronto have also been affected. The criminal elements have been making a mockery of Canadian immigration laws. They have been deported from this country, and there are many cases on the record—the information can be made available to the committee—in which within 24 hours those criminal elements have returned to Canada, engaging in crime and completely flouting any regulations which exist.
>
> Whatever is done, in my view it is imperative that the two chambers of Parliament deal expeditiously with this particular measure. Law enforcement agencies are thoroughly alarmed about what has been going on. To have the present section stand without any penalty whatsoever, and allow a system to continue whereby time after time, when the minister orders people to be deported, they return across the border within a few hours, is not good enough. There are even cases on record in which they have returned within two hours of deportation, to go through the whole cycle again. Whatever we do, it is obvious that we must act.

So I think the views of the government leader in the Senate on immigration are pretty clear. He feels that there has not been the control that Canadians have been demanding regarding the movement of immigrants and of those who come to this country without the immigration rights people have sought in other places.

I should also like to quote what Senator Laird said when this bill was before the other place. He sponsored the bill, and as reported at page 232 of the Senate Debates for November 5 last had this to say on the subject of immigration today:

> I am told—and here again I presume all honourable senators have had occasion to read about these cases—that in some of the larger cities like Montreal, Toronto and Vancouver, there have been many instances of very undesirable characters being deported, coming back into the country and engaging in criminal activities here, then simply being deported again and going through the cycle just about as many times as they feel like it. We want to stop this.

That certainly has my support. Obviously what is needed is a very strong tightening of present immigration regulations as they apply to those who refuse to obey the law. When the Minister of Manpower and Immigration (Mr. Andras) appeared before the Standing Senate Committee on Foreign Affairs on Thursday, November 7, 1974, he cited an example of the type of situation that the immigration department has had to deal with under the present law. As reported at page 1:6 he said this:

> The first example involves a chap who is a pimp. He was deported first on February 10, 1966, and then deported again on the following dates: November 14, 1966; November 28, 1966; February 29, 1968; March 18, 1968; March 21, 1968 . . .

That is three days later, Mr. Speaker.

> . . . April 9, 1968; October 22, 1968; and November 27, 1968. For all I know, he may be back in Canada again.

That is not good enough, Mr. Speaker. The arguments expressed in the Senate as to whether or not the present immigration laws and the Criminal Code are sufficient in order to gain a conviction of these people—I am not a lawyer so I will not go into this question—convince me as a member of this House that Canadians are demanding a better system.

Since I have been in this place Canadians from right across the country have asked me time and time again why it is we cannot keep undesirable elements out of this country. This is not to imply that these people are against immigrants or that, as I stated in my reply to the minister's statement of October 22 this year, they are opposed to immigration. They want immigrants to come to Canada, take jobs and make a meaningful contribution to our way of life. There are job vacancies in many parts of the country that could be filled by immigrants. The point we are making, and which we have made before in this House, is that all too often our immigration laws have not been strongly enough applied against those immigrants who are undesirable.

In this respect I contacted a corporal of the Royal Canadian Mounted Police to ascertain his views on the kind of enforcement powers they require in order to deport those whom they thought were undesirable or were members of the criminal element of our society. I should like to quote a section of his letter, which is dated November 18, 1974:

● (2040)

Since my initial take-over, there have been eight persons who were ordered deported from Canada for various reasons, who had been deported before from Canada and, of course, there are many others who have not been surfaced through investigation. The majority of these persons are travelling criminals who are involved in organized crime, kiting or prostitution. One such person that I dealt with had been deported twice from British Columbia and she advised me that there is no deterrent and she got a free trip home anyway, at the expense of Canadian taxpayers if caught.

This is the type of situation with which our law enforcement officers have had to deal. Part of the problem would be eliminated by the tightening up of our immigration laws. Much of this difficulty is due to the fact that in past years we have not had control over immigration. For example, there are many people in this country who came as visitors, were allowed to apply for landed immigrant status from within Canada, but have never done so.

This party supported the minister's readjustment program last year under which people who had come to Canada as visitors could apply for landed immigrant status within a specified time. I believe we still have a lot of people here who came in during that time, but who have not come forward and regularized their status as landed immigrants. These people who are here without right should be forced to leave. I say that because there are many people who would like to come here as immigrants but are prevented from doing so because of the action taken by the government to deal with people who are here without legalized status. This is a situation which has caused us a great deal of trouble. We are now reaping the whirlwind of those lax immigration laws.

Another aspect of Bill S-12 that is of interest to me is that part in respect of student visas. For many years now

Canada has accepted students from other countries who wish to study here. Many of them obtain skills and knowledge and return to the countries from which they have come, to the benefit of their countries. We have no quarrel with this, but we do quarrel with the situation that allows students to come to this country to obtain an education, and who have no intention of returning. If they want to stay in this country they should go through the regular steps and apply for immigrant status like everybody else.

It seems to me that our law enforcement officers virtually have had to play musical chairs in dealing with these people we have been trying to deport. It is time the government showed leadership in immigration, and tried to bring in people who have the ability and the desire to make a contribution to Canada. I would impress upon the minister that it is high time the government vigorously enforced our present immigration laws.

The point was raised during the Senate debate on Bill S-12 that the Department of Manpower and Immigration cannot provide specific statistics on the number of deportations that have taken place in the last few years. The explanation is given that there was a new system and the statistics were just not available. Before this bill is passed I would appreciate it if the minister made these figures available for the last several years. If they are not available to the minister now, perhaps he could provide them at some convenient time.

In closing I should like to say that we support Bill S-12 and its spirit, because we want to have laws that are fair and enforceable. On that basis we endorse this measure.

Mr. John Gilbert (Broadview): Mr. Speaker, there are two reasons why we have Bill S-12 before us tonight. The first is related to the fact that law officers of the Crown have stated there is a loophole not covered by the act which must be closed in order to maintain control in respect of persons deported. The second reason is that police forces have brought this matter to the attention of the authorities across the country. About a year ago the metropolitan Toronto police brought it to the attention of the minister.

Many individuals who are arrested and subject to deportation have been found, on investigation, to have been deported once, twice or more times before. The same situation prevails not only in Toronto but in Montreal and Vancouver. We in the NDP welcome the bill because of this loophole. The provisions in Section 115 of the Criminal Code and Sections 46 and 48 of the Immigration Act do not cover persons who have been deported from Canada and return without the consent of the minister. This situation is causing a great deal of consternation.

Let me give some of the background to our immigration situation in Canada. Back in 1966 we made changes to the regulations as a result of which we had many immigrants coming to Canada as visitors, and permitted to apply from within Canada for landed immigrant status. Many people in Canada welcomed this change and, as a result, we had a great inflow of new regularized immigrants. But also as a result of that change we had visitors, some of whom when they applied for landed immigrant status were refused on the basis that they could not meet the criteria. Many of them appealed, and were finally given deportation orders.

We had a tremendous backlog, and many of those ordered deported did not return to their country of origin. This left an enormous immigration mess.

To my personal knowledge we have had four immigration ministers in the last nine years, and this has added to our difficulties. I give credit to the present minister who has been seized with the problem and has attempted to solve it. Last year we had the readjustment program which brought forward many immigrants who had not obeyed the law. Many of them returned to their country of origin and applied for landed immigrant status. Many others during the readjustment program were allowed to remain in Canada, provided they could meet the criteria.

Bill S-12 is a move in the right direction. During the last three or four years we have had an average of 7,000 persons against whom deportation orders have been made. During the first nine months of 1974 there were 218 persons deported from Canada for the second, third, fourth and, in two instances, the ninth and 17th times. Surely it is time to make a change.

● (2050)

In fairness to the minister, he undertook to make this change as a result of pressure from the Toronto and other police forces. An election interfered with that, and he has now brought it forward. I agree with the officers of the Crown that sections 46 and 48 do not present an opportunity to allow people who have been deported from Canada to be convicted of an offence, and there was no deterrent under section 35. The other sections did not provide an opportunity to stop these people returning to Canada.

In the words of the minister, when we have 40 million odd visitors annually crossing the borders of Canada and also 30 million odd Canadians crossing the border, we can appreciate the difficulty immigration officers have at the border when handling these people. I am rather proud when I travel from Canada to the United States that there is a minimum amount of inquiry with regard to where I am going, when I intend to return, and so on. I appreciate that feeling. I am sure it is appreciated by many others. I just heard a little quip from one of my colleagues who mentioned that this perhaps is because I do not wear long hair. I do not accept the premise that just because a person has long hair he would be stopped at the border.

The officers at the border have a very difficult time. In order to secure a conviction under section 46 of the Immigration Act the officer at the border would have to ask a person whether he has ever been deported. Can you imagine the average Canadian travelling to the United States and being questioned, when returning to Canada, about whether or not he had ever been deported? This is the difficulty the immigration officers have, and this is the reason that out of 7,000 persons who were deported in 1974, in the first eight months only 128 cases were reported of persons who had been deported for the second, third, fourth time and so on.

There is a problem in respect of people who deliberately and intentionally violate the law. This is the reason why the police forces of the major cities across the country have raised this problem seriously with the minister. It is also the reason why the minister has responded by closing the loophole. Therefore we are rather happy this amendment is coming forward tonight. We are also happy with the statement of the minister that not only may an indictment be laid but that also there may be a summary conviction charge laid. This points up the difference with regard to the seriousness of the offence.

When people make a mistake unintentionally I would think they would be charged under the summary conviction procedure. If a person has intentionally committed an offence in returning to Canada without the consent of the minister then I think a serious attitude should be developed toward him.

I was happy to hear the minister say that if there should be a question with regard to a person who has been deported wishing to visit because of marriage, sickness or death reasons relating to his family, the department will co-operate in every way either by issuing a permit or giving consent relating to the period in which such person would be in Canada. I think this is the attitude that should be taken.

We all await the green paper on immigration because of the problems we have had concerning immigrants over the last nine or ten years. At one time the regulations were quite strict, and deportations were not as numerous as recently. However, once the change was made in 1956 which permitted visitors to come to Canada and apply for landed immigrant status within Canada, problems arose in great numbers. This is the reason why we must look again at the Immigration Act, the last major change of which was made about 30 years ago. It does not apply to present conditions.

In closing may I say that we in the New Democratic Party support the amendment. We note with interest that Bill S-12 was initiated in the Senate. That is a rather interesting departure because the Senate has not played a very useful role with regard to legislation. In the past the Senate has been considered to be a body that would take a second sober look at legislation. This time it took the initiative, probably on the suggestion of the government, with regard to Bill S-12 and did a job. I happened to read the minutes of the Senate proceedings, and it seemed to me that a pretty fair job was done. It may not warrant some of the criticism that has been levelled at it.

The Senate has been tagged as the delapidated annex of the Liberal Party. It may be that that is the definition of that body, but I think that the Senate is attempting to recover some of the prestige it had, if it ever had any. There are certain bills which therefore may originate in the Senate for the purpose of expediting legislation in the House of Commons and, if so, then as one member I would welcome the initiation of legislation in the Senate.

I notice my parliamentary leader is shaking his head.

Mr. Broadbent: I am leaving.

Mr. Gilbert: He is leaving. I agree with him in substance that the Senate has no place in Canadian parliamentary history, but if we must have the Senate we must make it function. This is one way in which we can make it function. Therefore we welcome the work of the Senate on this particular bill.

Immigration

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I will say only a few words, and touch on only three points, because it was agreed at the beginning of the sitting to refer this bill to committee as quickly as possible.

First of all, Bill S-12, as passed by the Senate on November 12, was certainly well examined by hon. senators. As it happens, there is not much talk about the work of the Senate because we have so much to do here in this House. For once, the Senate introduced a bill drawing the attention of the House. I think we must congratulate them tonight for their work on this immigration bill.

Furthermore, the minister did a very good job in enlightening the House. I followed his speech carefully, and he explained very well the shortcomings of the present legislation as well as the effects Bill S-12 will have.

Mr. Speaker, after listening to the minister I think that the introduction of Bill S-12 is timely. I was surprised, although I am not an expert on immigration matters, to hear the minister tonight that some immigrants re-entered Canada 9, 10, 12 or 15 times after being deported. The other members also stated those facts, and that is why I do not want to repeat what they already said. I simply want to express my satisfaction and say at the same time the impression we had when we saw that mass of people who were re-entering Canada after being sentenced.

We always wondered how our legislation could allow those people to go about so freely but I never imagined that an individual could re-enter Canada 15 times after being deported as many times. It must be noted that most of those people are troublemakers.

In past years, there was trouble in the province of Quebec and elsewhere. When we consider the names of the leaders who aroused the people, we see that most of the time the names of the deported resurface because we do not have any legislation to keep them out of Canada.

I am happy Bill S-12 makes guilty of an offence and I quote:

> Every person against whom a deportation order is made who
>
> (b) returns to Canada without the consent of the Minister . . .

I feel that amendment will give authority to the minister through the sanctions imposed. The law will not be respected without corresponding punishment. The minister said earlier that the judge will always have discretionary power in imposing the penalty according to each case. All I ask, Mr. Speaker, is that the judges use their common sense as most usually do. I ask that they show compassion while remaining firm, that our Canadian laws be respected and all sorts of revolutionaries kept from rallying our young and the not quite so young and stirring up trouble in Canada.

I want this bill to be deferred to the permanent committee as soon as possible, that it might be passed before the Christmas recess.

● (2100)

[*English*]

Mr. Ron Huntington (Capilano): Mr. Speaker, Bill S-12 as presented to the House corrects an obvious difficulty for the department in that a deported person could come right back to the country merely to await a new deportation hearing. As has been said and read, the bill adds a penalty to section 35.1 of the Immigration Act that should discourage the commuter or the "bumper jumper". I hope the penalties outlined there are wise and do in fact discredit this abuse of the Canadian law.

I cannot forget the fact that just a few years ago the Immigration Appeal Board had a total of over 28,000 appeals between January 1, 1973, and August 31, 1974. Close to 23,000 of these had been dealt with by October 16, 1974, and 5,000 odd remained on the books. Of the total, 2,500 had formal hearings, 2,500 were awaiting documents, and 18,400 of the appellants had been given landed immigrant status.

It would appear that since the right of appeal against deportation was restricted on August 15, 1973, the board had been able to progress with a rather heavy work load. In October, 1966, the then minister of immigration, presently the Minister of Transport (Mr. Marchand), decided that things were in a bit of mess in the department and ordered a white paper. This white paper was intended to stimulate public assistance for the department with an input to the drafting of an updated Immigration Act. A statement of principles and policies pertaining to immigration was made, but where has been the result?

The one thing that has happened is that we had the Immigration Appeal Board Act in 1967, and tonight we are discussing Bill S-12. In the meantime, since 1966 and the white paper, we have been a haven for numerous American pimps, procurers and prostitutes, and we have enabled them to continue to be domiciled here even after conviction under our Criminal Code. Our present inadequate laws, combined with certain flaws and weaknesses in some provincial laws, particularly private companies acts, constitute an open invitation to U.S. con men, swindlers, fraud artists, and both penny anti and big time crooks to enter Canada easily for the purpose of looting the Canadian till.

Bumper jumpers have been the order of the day, and we are trying to prevent them with the introduction of Bill S-12. I certainly hope that this abuse at our crossing points will be ended with this bill. Crime, and the infiltration of Canadian business for the laundering of illegal money have been made possible by a loose application of the Immigration Act, and if we were sincere back in 1966 about the updating of that act, why have we not been with it?

One other situation that applies to immigration that is unfair to the private property owner in our municipalities, and that I believe deserves some consideration on the part of federal and provincial authorities, is the cost of education of those immigrants who land in our cities and attend schools within our cities and who become a burden on the local property owners.

One other thing to which I should like to draw the minister's attention is the screening and interviewing procedure for non Canadians entering Canada at our international airports. It is really a farce. Preliminary interviews are now conducted by untrained customs officers and undergraduate students taking summer employment. Immigration officers only conduct an interview in

depth if the preliminary interview discloses some reason for it. Ottawa has decreed that in the jet age of giant passenger loads the interviews must take no longer than 35 seconds. During most of the hours of darkness there are no immigration officers on duty at Canada's international airports.

● (2110)

Our generosity toward draft dodgers and deserters from the United States has meant that we have acquired large numbers of activist yippies who have been in the forefront of every insurrection and riot that has taken place, and who are dedicated to continued confrontations. Not too many years ago at the border crossing at Blaine, between Washington and British Columbia, 30 miles south of Vancouver, a group of these people damaged storefronts and cars and publicly burned the United States flag. All the yippies who led the demonstration were Americans domiciled in Canada. The laconic comment by the Blaine police chief after the incident was, "If you want 'em, you keep 'em up there".

Canada has become a haven for the type of person who is not a good citizen in his homeland, never mind in this country. I recently came across a booklet which is circulated in Canada and is aimed at offering protection to these people, and which gives help on how to beat the Immigration Act so that they can stay here despite their difficulties. I will not bore hon. members with reading too much of this booklet, but I think it should be examined by the department when any restructuring of the act is considered. I will just quote a sentence from page 21:

> The wording "admit to having committed" deserves comment. If you have committed, you do not have to admit to it, and this does not involve falsification.

The manual details the nitty gritty of how to beat the Immigration Act. It is issued by a group of lawyers representing these people in Canada.

I should like now to refer to sections 5(1) and 5(m) of the Immigration Act. On many occasions over the last two years people from the department have informed me that this section of the act is not enforced. I wondered why this is so. Have our lifestyle and philosophy in Canada changed to the point that this section no longer applies? Section 5 reads:

> No person, other than a person referred to in subsection 7(2), shall be admitted to Canada if he is a member of any of the following classes of persons:

Subsection 5(1) reads:

> (1) persons who are or have been, at any time before, on or after the 1st day of June, 1953, members of or associated with any organization group or body of any kind concerning which there are reasonable grounds for believing that it promotes or advocates or at the time of such membership or association promoted or advocated subversion by force or other means of democratic government, institutions or processes, as they are understood in Canada,

And subsection 5(m) reads:

> (m) persons who have engaged in or advocated or concerning whom there are reasonable grounds for believing they are likely to engage in or advocate subversion by force or other means of democratic government, institutions or processes, as they are understood in Canada;

I grew up in an era when people who belonged to Technocracy Incorporated were not allowed to go into the United States, and vice-versa. Thank goodness we have progressed from that stage. But today we are in the situation that organizations are allowed in Canada and then they print material which advocates the forceful overthrow of our form of government by gun or by any other act of terror that they can devise. This is known to the police and to the department, yet the section of the act I have just read is not enforced for our protection. I should like to know why.

It is important that we have policies that will allow the proper assimilation of peoples coming into this country. In the last seven years we have brought in more non-whites than our total native population.

An hon. Member: What is wrong with that?

Mr. Huntington: There is nothing much wrong with it, except that it is happening too fast and is imposing a great social burden on the country. Our record of improving conditions for our native people has not been too good.

For 2,000 years man has been facing racial problems. The problems and pressures that we are facing today in Canada do not exist in China, however. China does not allow whites to immigrate, nor does Japan, nor does India.

An hon. Member: Racist!

Mr. Huntington: I am not a racist. Anyone who knows me knows well that I am not. I have never had any trouble pertaining to race, creed or religion in my life, and I would not belong to an organization that exercised discrimination. But I am a concerned Canadian who represents a community worried about the lack of enforcement of immigration laws.

An hon. Member: What is your riding?

Mr. Huntington: My riding is Capilano. The government has had many opportunities to solve the problems of our native people, but new ghettos are being created all the time. Chinese people and Indian people who cannot be absorbed properly into the country, and who cannot find jobs suitable to them, are being admitted under the act. So are people who advocate the forceful overthrow of the country. It is claimed that these people are being allowed in to do the menial labour of Canada.

Surely as intelligent people we can get together and solve this problem, but planning is needed. The ghetto problem should not be aggravated by setting East Indians down in places like Quesnel, and then finding there is a confrontation with the white residents because of lack of proper planning.

These people are coming in so rapidly that they are not fitting properly into the fabric of Canadian society. They are locating in ghettos, dozens to a house. Does this give them respect for the Canadian system and our government? It does not. It just creates cells for further reactionary groups to work against the fundamental principles for which this House is supposed to stand. Do not label me a racist. I am just saying that we have a problem and the government should recognize it as a problem. If you need help my colleagues will be pleased to render it.

If there is one thing we need in our immigration policy it is a planned assimilation of other races, of Asians and

East Indians. We must take steps to achieve this if we want to avoid cells of discontent and the establishment of more ghettos. There is too much pressure in this regard in the city of Vancouver. Perhaps it is time for another cabinet leak. Man has been trying to solve the question of integration of races for some 2,000 years If the cabinet has the solution to the problem, maybe it should leak it so we can understand a little more about it.

An hon. Member: Tolerance.

Mr. Huntington: Yes, tolerance and compassion. Those qualities are not developed by the immigration of masses of people who are foreign to our ideologies and our way of life. They come in planeloads, 350 at a time, and there just is no way to assimilate them.

Mr. Sharp: How would you do it?

Mr. Huntington: It is high time to ask ourselves if immigration from Asian countries in great numbers is helping solve the world's population problems. Each year the populations of India and China increase by a number in excess of the population of all Canada. India's population increases annually by 13 million.

● (2120)

An hon. Member: Do you want to shoot them?

Mr. Huntington: No. You want to feed them and have them breed more, but what can we do with an immigration policy to solve that problem? This is a world situation which cannot be solved by destroying the Canadian social fabric with an over-anxious immigration policy. There is nothing racist in my remarks. I just think this has to be said.

The matter of crime that is being allowed by the Immigration Act and the enforcement of it has been mentioned. Some day when the act is again being discussed there will be a massive presentation, as has already been indicated by the leader of the Senate. By all means we should pass Bill S-12, but let's get on with the 1966 white paper, the 1974 green paper and the restructuring of our Immigration Act so that it protects and adds to the quality of Canadian life.

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, in giving my support to this bill I do so with some concern and apprehension. I hope Your Honour will allow me to put my remarks concerning this apprehension in a shade wider context than the narrow focus of the bill. I assure Your Honour I will not make a general speech on immigration.

I cannot reflect my concern about the manner in which the government is now handling immigration if I do not make a few comments just slightly around this bill. I am concerned because of the headlines I see in the newspapers. For example, in the November 25 edition of the New York *Times* there is a headline, "A Racial Trend In Immigration Is Troubling Canadians". The November 26 edition of the Ottawa *Journal* carried the headline, "Racial Conflict, We Are Not So Free Of It—Discrimination Tearing at the Canadian Fabric".

[Mr. Huntington.]

The other night I heard a comment on CBC "Viewpoint." I forget the name of the commentator. However, his words have lingered in my mind because I considered them so racist in provoking Canadians to hostility toward immigration.

I commend the government on bringing forward this bill to straighten out the criminal abuse by immigrants, whether those who entered illegally or those who entered legally and then committed criminal acts.

I send the minister many cases concerning immigration. Very often I do not know whether the people who are making the request have legitimate grounds. I want to thank the minister. I think he is doing a very fine job. It reflects a combination of compassion and concern in the dispatch with which the cases are handled. I have been greatly pleased to see several people able to come into this country because the officials of the minister's department care.

Having thrown that bouquet which is very legitimate, I must also throw a little brickbat. The reason for the problems in immigration, the headlines I have quoted, the program and the comments on it, and the concern of many Canadians about immigration, is they do not know whether they are coming or going with regard to immigration. The policies of the government have been loose and changeable. There are many regulations and minor bills that have been brought forward.

I refer to the statement on motions about a month ago concerning the tightening of regulations to make it much more difficult to get into this country. I refer to the debate we had a year ago in which my colleague, the hon. member for Provencher (Mr. Epp), referred to illegal immigrants and straightening out that matter. I refer to the bill now before us. All of these are negative acts. They are reacting to loopholes. They react to what the government perceives as a feeling in the country that immigration is too loose. That is why the government comes along with these band aids.

We know the green paper is in preparation. I have known that since coming to parliament two years ago. What I am suggesting is that the bill now before us, as well as the other pieces of legislation and regulations that have come in, are actually doing a disservice to the cause of immigration and the understanding of the Canadian people. We do not have a full understanding of where we are going with regard to immigration.

I have a question for the minister. I hope he will respond to it when he closes the debate. Why is there the long delay on the green paper? It was referred to here this evening. It is an absolute disgrace that the green paper, which is to outline the beginnings of what will be a new policy, has been delayed. It is that delay, along with these minor pieces of legislation, that is unsettling the Canadian people.

I am going to make a strong pitch for immigration. For those who advocate the overthrow of our country, for those who are here illegally and those who are committing criminal acts, let the government move in much more strongly. Let it have better control over the dissident elements in our population. However, do not do this in such a way that it creates the impression that immigration

is bad. Immigration is good. The future of our country will depend on increased immigration.

Some hon. Members: Hear, hear!

Mr. Roche: The population of our country is slightly over 22 million. Our net immigration is 60,000, and our fertility rate is 1.9 per cent. Taking those together, by the year 2000 the population of this country will be 30 million. That is a very small increase relative to world standards and the population situation.

When we look at immigration we must consider that there will only be a small increase over the next 25 years. Here I speak of those sections of the country that are not Montreal, Toronto and Vancouver. I speak of large sections of the west which are now short of labour. They will be involved in mammoth projects, on which the future of our country will depend for productive capacity because of the role Canada can play in a changing world. By having an immigration policy that is restrictive, we do ourselves a disservice. If the green paper were escalated and there were positive results coming from it, we would be able to move on to a positive track with regard to immigration. It would be something the Canadian people would understand and accept at a moderate pace.

● (2130)

The need, as I see it, is for a positive approach to immigration, something which the Canadian people could understand and accept, in which case we would not be hearing so much about dissident elements which are being brought here and getting so many headlines because of circumstances which have nothing to do with immigration.

The minister would be well advised, in my opinion, to pay attention to the speech made by one of his hon. friends, the hon. member for Davenport (Mr. Caccia), on November 26. He did not subscribe to the theory that immigration is inimical to the employment of Canadians. I thought he made a good speech. It came down to asking for an enlargement of immigration in a positive way, so as to help our country.

I have before me the results of a Gallup poll taken recently by the Canadian Institute of Public Opinion. This is the question which was asked: If immigrants are brought in, do you think only those who have definite jobs to go to should be allowed to come to Canada, or do you think they should be allowed to come here and hunt up their own jobs? In answer to this question, 61 per cent of Canadians polled said that only those with jobs to go to should be allowed in, whereas, when the same question was asked in 1947 only 49 per cent gave a similar answer. So, there is a large increase in the number of Canadians who are taking a restrictive view with regard to immigration.

The type of bill before us, and the failure to take strong action against dissident elements, help to produce the kind of statistics I have cited, figures which encourage a lot of people to say that 61 per cent of Canadians are against immigration, when such is not the case at all. I ask for a firm immigration policy geared not primarily to economic needs, bearing in mind that skill and the availability of jobs are the prime ingredients of immigration today. I say this policy discriminates against the non-white and the non-rich parts of the world. It does so in two ways: the general population of these areas is excluded from Canada by the present piecemeal immigration policies of the government, and further, under present arrangements only the most highly educated and skilled members of the population of those countries is welcome. Thus, we skim off the people most essential to the modernization of their own countries.

I recently heard the Secretary General of the United Nations speak on this very point, saying that the western countries—he did not mention Canada particularly—were responsible for a "brain drain" of the developing countries.

I am not saying we could solve the world population problem, or the problems of the developing nations by allowing increased immigration. What I am suggesting is that having an open society would enable Canada to become a bigger base, and thus be in a better position to assume our responsibilities to produce food, energy, shelter and clothing for a world whose population will double by the end of the century, and treble by the year 2050. I am suggesting we need a national immigration policy; we need to move forward more quickly than we are doing and help Canadians understand how important immigration is to the future of our country.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I find this bill both confusing and amusing. The bill is a simple thing. It says that people who have been deported cannot re-enter the country without fear of being put in jail or fined. I presume it depends on how rich they are whether they are fined or put into jail.

This is just an indication that the Department of Immigration is in very bad shape. This is not the type of legislation used in other countries. What we are saying, is that we have no means of stopping people coming back to this country, but if they do come back and are caught here they will be subject to this law, which says that if they do not have the money to pay a fine they will be entitled to room and board here for a period of a year and a day. Well, Mr. Speaker, it may cost us between $3,500 and $10,000 to keep an immigrant here as our guest for a year. Surely the government can come up with a better system than this.

Few people swim to Canada, so they must come by some other method, unless they enter from the United States. They probably come here by air. All such people are scrutinized, and if the Department of Immigration is aware of who is coming before a plane lands, it will probably be able to carry out a fairly extensive check.

If a person travels from Canada to the United States, and is on the black list of the United States government, it is very doubtful whether he will be able to pass through customs. I am not sure how they work this but I know that they ask you your name at the border and where you come from. It is likely that in certain circumstances they will ask you to step inside for a few moments. Then they run a check through a computer, and if you are on the "do not ship" list you are shipped back where you came from—they ship you, anyway.

It seems to me we should be using a system which would prevent the entry of deportees rather than supplying them

with free board and lodging. Moreover, many of those who have been engaged in undesirable activities, or who lack the qualifications for normal entry are the kind who would not mind experiencing our hospitality for a year. It seems to me we are being asked to approve a foolish way of tackling the situation caused by the re-entry of people who have been deported.

It seems to me that the Department of Immigration, which is very interested in knowing whether a person has brought in an extra carton of cigarettes—

An hon. Member: Those are the customs people.

Mr. Peters: Well, the people who land here go through the same process. It seems to me that our officials should be aware of the identity of those who have been deported and that they should not let them re-enter. Why should we allow them to enter, and then try to catch them and deport them again after keeping them here for a year? I know that my colleagues believe that if you break the law you should be punished, but it seems to me the public will be paying a lot of money to punish these immigrants, particularly if they are poor.

If Howard Hughes happened to come here I suppose the department could collect $500 as he left. If Howard Hughes wants to come to this country, probably he would not be deported, and doubtless never has been deported. He has been here a number of times, and when he is ready to leave he does go. No one is ever sure whether he is in this country or not.

● (2140)

I happened to be in another country about a year ago, at a time when members of its government were taking strong measures to find out whether Howard Hughes was in a certain hotel in that country. If he had been they would have deported him, but they were not able to establish whether he was in the country. By the time they were, I guess he had left anyway.

What I am saying is that the rich will pay $500 and enjoy our facilities for a certain period of time, whereas the poor will be subject to one year's accommodation at our expense. This situation reminds me very much of our penal system. We have a very good judiciary and some excellent lawyers, particularly prosecuting lawyers. I do not know about the defence lawyers, but the prosecuting ones are good. People are put in jail and we feed them, clothe them, and probably train them as well. We then let them out but they come back again, and we do this over and over again. It seems to be the only system we can devise.

We have never been smart enough to do something about these people who are incarcerated for a period of time. Putting people in jail costs a lot of money, but as the years go by it seems more and more people end up in jail. Canada now has the dubious reputation of having more people per capita incarcerated than any other civilized country in the world. This bill will add yet another category.

I suggest the minister should seriously consider doing something to prevent people who are deported from Canada ever returning again. I understand from one of my colleagues that on the border they have a system whereby they know all about a person who is driving through in a matter of seconds, simply by nothing his licence plates. I suggest we should do the same with people who are deported. If the manifest shows that these people are undesirable, we should not let them across the border. Then we would not have the problem of deporting them.

Perhaps the immigration minister should do what the Minister of Agriculture (Mr. Whelan) does. He does not let unwanted oranges or animals come into this country. Not long ago I entered the United States from another foreign country and the customs officer asked me if I had any pets, vegetables or other agricultural products with me. I said no, I did not, but that I was only stopping off in that country on my way through to Canada. I told him that Canadian law was much stricter than theirs in regard to prohibiting plants or animals from entering the country.

We do have a reputation around the world for stopping contraband in the form of plants or pets entering Canada, though we do not seem to have any system for preventing unwanted people from entering the country. I suppose there are some pets you might want to bring in that would meet the requirements of the minister of immigration, but the other kinds that are classified are not allowed in at all.

This bill is going to cost the Canadian public a lot of money over the years, and it is going to mean that the poor people who come to this country, many from ethnic groups who are not very well off when they arrive, are going to end up in jail at the expense of the Canadian public. In my opinion these people are not really guilty of an offence; they are only guilty of wanting to come to Canada when we do not want them.

Mr. Andras: This bill does not deal with that.

Mr. Peters: No. But the point is that we do not want them here. They would like to come here, and this bill is for our protection, not necessarily theirs.

There are many reasons for deporting these people, and most of them are deported because they did not come through the proper channels. The hon. member for Provencher (Mr. Epp) is probably well aware of the fact that there are agencies in many parts of the world that send people to this country as wetbacks, much like the old Mexican border trick where immigrants think they are coming here legitimately and pay their money to come, but when they arrive find they have broken the law unintentionally. Their only real offence was that they wanted to come here in the first place. These are the people I suggest we will be putting in jail because they have broken our law, and in my opinion they cannot be blamed for wanting to come and make their homes in this country.

I suggest that we should strengthen our immigration regulations at the border. Most people arrive in this country by air and could easily be checked. I am sure it would not be difficult for the immigration minister to have his officials obtain the manifests from the countries of origin. They would be able to check with Interpol the aliases, passports and other travel paraphernalia of these immigrants. Most people arrive thinking they will be allowed to stay, not realizing they are acting illegally. Usually they do not use the sort of dodge others use to get into this country.

Therefore I suggest to the minister that he will be neglecting his duty if all he is depending upon to prevent people who have been deported from returning to Canada is the penalty clause in this bill. Both of my colleagues in attendance this evening are lawyers and believe that anyone who breaks the law must pay the penalty, whether morally that penalty is justified. However, it seems to me the immigration officials could exercise good judgment on behalf of the Canadian public in preventing deported persons from returning, in which case there would be little or no need for this law.

I am afraid that once this law is passed, as is common with other similar laws, all we will accomplish is a conviction of persons under the law which will result in many of these people becoming guests of the Canadian public in our institutions for a period of up to a year, and I am not sure that is the wish of the Canadian public in asking the government to limit immigration to this country.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I have a few reservations about this bill. Although on the surface it looks like a housekeeping bill designed simply to plug a loophole, I think it is to some extent a bill that is based on a false assumption.

● (2150)

I think the false assumption is that everybody who has been deported is a criminal and therefore should never be allowed to return to this country. Everybody who has been deported from this country is not a criminal. There are many cases of individuals who have been deported for reasons which cannot be classified as criminal activity. Let me give you an example.

I was associated with a case of an individual who was deported only yesterday. He happened to be a student travelling in this country, and required some money. He took a job for a month or so without a ministerial permit, and was deported for doing so. Under this legislation, unless I am wrong, this man will be prohibited from ever coming to this country again for the rest of his life, whether he wants to come as a tourist, a visitor, or what have you. He is on the minister's black list and will not be allowed to come back in without running the risk of facing a fine or a prison sentence.

Unfortunately I did not hear the minister's explanation when he led off the debate. Perhaps he would explain how he will get around this particular problem. It seems to me that because of the fact that a lot of people are deported for reasons that may be considered to be criminal, this will tend to tar everybody with the same brush. The minister did indicate that a certain amount of humanitarianism and good judgment will be required in the administration of this measure, but I do not know that ministers of immigration in the future will be as humane as this particular minister claims to be.

The provision that leaves everything up to the minister's discretion, or requiring that everyone must get a permit from him puts a rather difficult obstacle in the way of people who want to come here simply for the purpose of visiting. A better method must be available, and we should attempt to differentiate in respect of reasons for deportation in terms of this bill when it becomes law.

I can think of cases where people, who have been deported for a reason such as the one I gave in respect of the student, may be required to come to Canada to visit friends or relatives here, and may not have the time to go through the dragged out procedure of obtaining a ministerial permit. This bill may create very serious difficulties for people in that category.

I am not sure that without some clear delineation as to the kind of guidelines the minister will follow in issuing permits I am prepared to give him the absolute power for which he is asking in this bill. It would also be useful to consider some other aspects of the Immigration Act about which I am concerned, and one is the point system.

Many people may make application for immigrant status who, for one reason or another, do not obtain enough points and are rejected. While this point system is useful as a guideline, I think it does not consider the needs of certain regions in Canada. This is an area where possibly greater discretion in terms of regional need is required.

It is fair to say that in the prairie provinces, certainly in northern Alberta with which I am very familiar, there is a tremendous shortage of workmen, skilled and unskilled. One of the greatest shortages at the moment is in respect of unskilled workmen. One can go to almost any service station or farm and find that the operators or farmers are unable to find men to help them carry on with their work. Many Canadians do not want these jobs, and this is an area where we should re-assess our immigration laws to make sure that these areas are treated differently than others, such as the metropolitan centres of the country where unemployment is more of a problem.

The situation varies not only from city to city and province to province, but from region to region within provinces. If we are really concerned about meeting all the needs of this country in terms of the availability of workmen we should be looking for some changes.

I would agree that we should be increasing the number of vocational schools in order to upgrade the skills of individuals who are chronically unemployed or presently considered unemployable. The fact is that programs of this kind have not been very useful to date, and I do not see anything on the horizon that promises anything different. Even though we may think that some day we will have sufficient vocational training facilities, we must find some method of motivating people to go to these institutions, particularly those chronically unemployed or unemployable but who are in good health, and who lack skills. It is possible that some day we might find a formula under which we can prepare these people for the labour market, but at the moment there are many areas in the country that require workmen but are absolutely unable to get them.

When we look back over the history of immigration in Canada we find that our laws have been much more lax than they are today. In the 1930's, the 1920's and earlier, when we wanted settlers to open up agricultural lands in the west, there were virtually no restrictions in respect of educational ability or skill. The only restrictions were those in respect of health. It has been proven to my satisfaction that it is not the amount of education an individual may have, or his particular trade or professional qualifications that guarantees a good or productive

citizen rather than one who becomes a burden to our society. We have experience that shows that the important thing is the initiative of the individual, and that initiative is by no means restricted to those people who happen to have a trade or a professional skill of some kind.

If we are going to be serious about this problem from the point of view of humanitarianism and discernment, while at the same time meeting the needs of the Canadian labour market, we should be considering changes based on regional concerns.

I would conclude by simply asking the minister to clarify his position on the main purpose of this bill, telling us what his ground rules will be in respect of people who wish to return after having been deported for some reason other than criminal or undesirable activity. If there are no such guidelines issued in advance so that we know what to expect, perhaps the minister should consider an amendment to clarify his intention in this regard.

Mr. Sharp: Mr. Speaker, before this debate began there was an agreement that the bill would be referred to the Committee of the Whole. There was unanimous agreement, and I concluded there was a disposition to complete at least second reading tonight. I wonder if there would be agreement that you not see the clock for a few minutes.

Some hon. Members: Agreed.

● (2200)

Mr. Deputy Speaker: Hon. members have heard the suggestion of the minister. Is there agreement not to see the clock for at least the completion of the second reading stage of this bill?

Some hon. Members: Agreed.

Mr. Yewchuk: Mr. Speaker, I will agree to terminate my remarks at this point and continue them in Committee of the Whole.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Laniel in the chair.

The Chairman: House in Committee of the Whole on Bill S-12, to amend the Immigration Act.

On clause 1.

Mr. Yewchuk: Mr. Chairman, perhaps it is better that we are now in Committee of the Whole for the completion of my remarks because, as I understand it, at this time we are in a position to expect answers and explanations from the minister which are necessary in order to expedite speedy passage of this bill, if that is the desire of the House. I should like to ask the minister whether he would clarify what guidelines he proposes to follow in terms of allowing ministerial permits to be issued to people who had been deported for reasons which were not of the type which could be construed as relating to criminal activity, but were simply as a result of the bending of some of our laws with regard to employment. What guidelines does the minister intend to use in such a case, and how difficult would it be for an individual who had been deported for that reason to obtain a permit? How long would he have to wait? I would like to have a little more detail about the plans.

[Mr. Yewchuk.]

Mr. Andras: I did attempt to make some explanation on this point in my opening remarks on second reading. The real purpose of this is to bring to bear the pressure of a deterrent on those people whose motives in coming back may be quite reprehensible. In 1973, if I recall correctly, there were only about 128 such cases, so it is not the volume about which we are concerned. A total of 128 out of 70 million border crossings is a needle in the haystack in terms of border crossings. It is the intention to issue minister's permits where people who may be deportees give sufficient advance notice that they wish to come back for a specific understandable purpose such as I mentioned—illness, a funeral or even the happy case I described otherwise.

I would not want the hon. member to think that a person who had been deported because of prosecution under the law would be welcomed for a long stay. There is a discretion concerning the length of time for which a permit would be issued. We would not unduly withhold the minister's consent unless the person involved had a criminal record.

Mr. Yewchuk: Would the minister care to inform us what the ratio is between those deported for criminal activity and those deported simply for some minor offence, such as taking employment while here on a tourist visa?

Mr. Andras: Mr. Chairman, the bulk of the deportations now, which include turning around at the border which could be voluntary departure as well as the acts of rejection, would be made up of people coming here who are considered to be non bona fide visitors coming for a purpose other than to visit. As to the criminal content of deportations, I am sorry I cannot give the hon. member the number off the top of my head, but the bulk of them would be people who are breaking our laws in terms of overstaying, or coming here without acceptable evidence that they are visitors.

Mr. Yewchuk: If that is the case, then it seems to me that this bill is shooting at a fly with a shotgun because what we are doing is excluding a large number of people for the rest of their lives for very minor offences, offences which are not dangerous to the security of the nation or to the people of the nation. If they want to come here as tourists or visitors, it seems to me that this is a rather severe measure.

Mr. Andras: I think the hon. member should be aware that it is unacceptable now under the present law for people to come back to Canada, having once been deported, without the minister's consent. Of course there is no punishment for that, but if we apprehend or identify them, we can deport them forthwith. What we are providing here is a deterrent for those people determined to come back illegally. In my comments earlier I indicated that there is discretion in the application or prosecution of this deterrent.

We do not intend to charge people who come to the border and inquire, or who are turned away at the border.

That is the time for them to declare the purpose for which they want to come back to the country, and there will be a delegation of authority to issue the minister's consent at border points where the purpose of the visitor is identified as being innocent. But we do not want to be left in the position in which we are now, where people who have been deported come back illegally because they only face another deportation.

Mr. Yewchuk: Mr. Chairman, this is my final question. I want to know two more things. The minister has not told me what length of time he anticipates it would take to issue a ministerial permit. Let us say it is for an occasion which has a specific date but, because of the mail service in our country, this individual who is in some other country did not receive notification until two or three days before the event. How long would it take him to get the ministerial permit? Second, could the minister clarify what he anticipates would be the number of these permits issued to people who have been deported for non criminal reasons? Does he anticipate that most would be able to get a permit to come back to visit, or very few?

Mr. Andras: I thought I answered the first question by saying we would delegate authority to the border point upon a phone call from the region. So in terms of a situation such as the sudden illness of a relative in Canada, where there was no advance warning to the person who was coming back who had been deported, that person could come to the border, explain the circumstances, and within an hour might receive the authority. I am quite prepared to delegate it. In fact, ministers permits are delegated now on certain prescribed occasions.

As to the second part of the question, I honestly could not give the hon. member the number.

Mr. Yewchuk: I am asking for the ratio, not the number.

Mr. Andras: I cannot give the hon. member an indication of the number of people to whom the minister's consent to come back is given or would be given under the circumstances of the proposed amendment. Such consent is going to be for the purposes I have already described. For coming back to Canada to take up Canadian citizenship or landed immigrant status, that is a different matter altogether.

● (2210)

Mr. Hnatyshyn: As far as the operation of this particular clause is concerned, may I ask the minister whether prosecution will be instituted through his department or through the offices of the attorneys general of the provinces?

Mr. Andras: We would notify our own officers at the border or our inland officers. I have authority to make arrest under this but the practice is to refer it to local police forces. In fact, many of the applications for arrest would be enforced by police officers. As my hon. friend from Broadview indicated, and this was also brought to my attention by the police forces in some of the major cities, too often they have no way of deterring hardened criminals from coming back to Canada. Those people just laugh at the idea of being shipped across the border once more.

The application for charges would be laid by our officers, or officers of the metropolitan forces, and the decision to prosecute by summary conviction or indictment would be made by the Crown attorney.

Mr. Peters: In view of the number of people coming in—I think the minister mentioned 170 out of 70,000 as the number that came to his attention as being subject to this type of legislation—may I ask how many were from the United States and how many arrived by air from other countries?

Mr. Andras: Mr. Chairman, those that came to my attention by and large are from the United States, people who cross the border to Vancouver, for instance. I believe the hon. member for Capilano could support that. Or they come across to Toronto, to Windsor and so on, but the vast number of people or criminals who have crossed the border came by way of Detroit and Windsor. I subscribe to the proposition that we should improve the prevention system but it is a problem when you have 40 million people a year coming here. Of course the number is not the real problem either, it is the type of people. The Americans have something like nine million or ten million illegal immigrants now, so their problems are far worse than ours even though their computers may be a little better.

Mr. Peters: It seems to me, with my small experience of border points, that those who were not allowed into the United States—including a couple of former members of parliament—found out that they were unable ever to cross the border. It seemed that the officials could recognize them every time. I am not really concerned with the criminals, unless the minister agrees with some of our legal colleagues that anybody who has committed an offence is a criminal.

I know there have cases of deportation where the people did not want to do something within our law at times, but they were not bank robbers or out to cheat anybody—except the country, I suppose. Unless the word criminal is used to mean such cases, the people I am concerned with are those who have relatives here and who were deported because they did not meet our requirements. It seems to me that to put them in jail rather than develop a system to make screening simpler is not the answer.

We need something that will allow our officers to be less cautious rather than more so. I am sure these people are well known after they have been deported three or four times, and would be easily recognized if they attempted to cross the border again.

Most of the immigrants in my riding, and I suppose the same is true of the minister's riding, have come by air from Europe and the Caribbean, and are not what I consider to be criminals. Where there are passports and other facilities, we should not have this difficulty. I know some cases that should not have happened. I hope this bill will not be the only thing which will try and prevent people from re-entering this country who came in under those circumstances. I say this because some may have parents here, and some may be parents of those who live here.

These people make the attempt as often as they can, particularly the Chinese.

Why is there not attached to this bill the protection which the minister provides for compassionate reasons? This should be indicated in the bill. If this minister changes to another portfolio, we will be assured that this will still be the direction of the department. In my experience the immigration department has too often been hinged to the whims of whoever happens to be the minister, rather than to the act. I would like to see some indication that this regulation would apply at border points on compassionate grounds.

Mr. Andras: Mr. Chairman, regulations will flow from this. I do not think we should open up the legislation to describe the exceptions other than the fact there is an option to prosecute by way of summary conviction or indictment. There is an option in the sentence the judge imposes when a conviction has been returned, which ranges from an absolute discharge up to a maximum of two years imprisonment. The courts of this country have indicated their competence to make those kinds of distinctions based on the circumstances of the offences.

In terms of regulations, it is my intention to indicate in regulations the extension of delegation of the authority to issue ministerial consent for coming back into Canada. It would not then be an offence under the act, because ministerial consent would be delegated, as is now the case in the field under certain circumstances. I think that would be the way we would approach it.

I must with respect disagree with the hon. member on putting compassion into the court again. Once a person who has been deported knowingly slips back into the country, under this amendment he could be punished for that offence by either summary conviction or indictment, with the range of penalties I indicated. It is not before the appeal board. The deportation has already been handled. It is after the deportation has been heard by the appeal board, which at that stage has chosen not to extend its compassionate jurisdiction and upholds the deportation order thereby requiring the department to execute the order. That has all passed. This person is coming here in defiance of that deportation order. I presume the Crown attorney and the judge judging the circumstances, if it were a hardened criminal—and I am inclined to agree with the distinction the hon. member makes—are in a position to decide how to proceed with regard to prosecution and the sentence to be imposed, taking those facts into consideration.

Mr. Peters: Mr. Chairman, there are two things I would like to see the minister indicate in this bill. Maybe I used the wrong word in saying compassionate. That is what we used to say in the air force. We asked for compassionate leave to attend a funeral, wedding or something of that nature. That is the type of compassion I was talking about, not with regard to sentencing. I would not ask the court for compassion in that sense.

● (2220)

It seems to me we should clearly indicate to all immigration officers the names and descriptions of persons who have been deported, and make every effort to prevent their entry. For example the banks pin up lists containing the numbers of counterfeit bills, and do not accept bills bearing these numbers. We should make it clear that we do not accept deportees because they have, in a sense, committed a crime. We should use whatever machinery available to us as a means of stopping them coming in here. I agree there are two categories—those who come in for illicit reasons and those who come in—I do not know what the word is—those for whom this country has an attraction even when they do not come here for an illegal purpose.

Mr. Andras: I can only say to the hon. member that I agree with him there is a need to improve constantly our techniques at the border points to make sure that people do not enter this country illegally, whether they are deportees or first-time triers. Of course, that exercise is under way though I do not intend to take up the time of the committee describing what I consider to be the improvements which have been made over the past year or so. However, I do not want to leave the impression that this is a simple matter.

I would remind the committee that there will be a great deal of opportunity to talk about immigration policy and programs when we are considering the new legislation in terms of the green paper to be published, although I tell the committee frankly that this is an amendment which we believe to be absolutely necessary now, because taking a realistic view I think it will be a year before we shall be able to study the Immigration Act in detail. It is always going to be difficult to prevent all illegal border crossings when there are some 70 million crossings a year, and when the border is as wide as ours. Then again, there is a lack of desire on the part of Canadians to see a heavy policy system with a huge bureaucracy.

Mr. Yewchuk: The minister has told us that the bill is directed, more or less, at a criminal element—I think he mentioned 128 people. In that case why was the bill not drafted so as to aim squarely at the criminal element involved?

Mr. Andras: I do not want to give the impression that it is not designed to apply to all those who have been ordered deported and to all cases where a deportation order has been executed. Anybody coming back to Canada having previously been deported will be subject to the deterrents inherent in the bill. But it will be left to the Crown to determine whether to proceed by way of indictment or not. I cannot subscribe to the idea that we consider lightly the return, without the consent of the government, of any person who has been dealt with by a deportation procedure which is also the law of the land. I have indicated that we are not aiming at relatively innocent people; we shall deal less harshly with them or the courts will. I am sure.

I indicated in my opening remarks that the very fact that the bill provides for the minister's consent, and continues to do so, is indicative of some discretionary powers that I hope hon. members would wish to remain in the hands of the minister. I cannot see them exercised for any reason other than a justifiable purpose, such as the compassionate ground that I tried to describe in my illustrations earlier.

Mr. Yewchuk: Mr. Chairman, it seems to me that the minister can achieve the same result, so far as people who are not members of the criminal element are concerned, by requiring a visitor's visa or something of that nature. Is that not so?

Mr. Andras: Mr. Chairman, if the hon. member is suggesting that all visitors to Canada must have a visitor's visa obtained abroad, then he is opening up a whole new range of policy, program and techniques to which I was alluding when I replied to my hon. friend from Timiskaming. I personally would not at this stage be favourably disposed to exercise that option, but I will not rule it out in terms of a more profound examination of the subject that we will be having shortly when the green paper is forthcoming. I would rather hope that I could convince my hon. friend at that time that, while a visitor's visa sounds like an easy method of control, the trade-offs will be quite difficult to accept. I do not see this as a substitute, certainly not for now anyway; but we can examine it in more detail when we take a look at the green paper and at the government's position on the new immigration act in total.

Mr. Hnatyshyn: Mr. Chairman, I think the minister said there were 128 situations where the bill could apply. I assume there is some deficiency in the Criminal Code, or at least in the present Immigration Act, which has led the minister to bring forward this amendment. I am curious to know the advice the minister received regarding the existing provisions and why he feels that there is a deficiency in the existing law. If that was the advice he received, how many of these particular instances to which he refers, in approximate figures if he has not the exact figures, were not successfully prosecuted in the eyes of the government?

Mr. Andras: Mr. Chairman, I did try to deal with that in my opening remarks. I noted that the immigration critic of the hon. member's party agreed that the current law is inadequate to permit successful prosecution under the act, which was the advice the legal officers of the Crown gave me and gave my predecessors for a considerable number of years. I also noted that the hon. member for Broadview agreed that the wording of the present act does leave a loophole, which mainly lies in the fact that under the present act the onus is upon the officer. The wording is "shall not be admitted".

Provided the returning deportee does not state an untruth, does not lie, about the condition of his or her re-entry, then I am told that no prosecution would really stand up. Of course our difficulty is that there are 70 million crossings a year. If we could take the time to set up a system whereby everyone who crossed the border was asked, "Are you a returning deportee, or have you been deported from this country?" and if the answer was no when in fact the contrary was the case, then we could prosecute. However, as I have said, there were 128 instances last year out of a total of 70 million crossings. That is the number, so far as we know. I am not going to boast to the hon. member that I can be absolutely sure that that is the total number, but that is the number we identified. However, there is a lot of room for error within that figure of 70 million. There is a lot of movement within that 70 million and a lot of room for error. We know this, and in almost every case these were people the like of whom we would all prefer not to have back in Canada.

● (2230)

Clause 1 agreed to.

Title agreed to.

Bill reported.

Mr. Andras moved that the bill be concurred in.

Motion agreed to.

Mr. Deputy Speaker: When shall the bill be read a third time?

Mr. Knowles (Winnipeg North Centre): By leave, now.

Mr. Andras moved that the bill be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

PROCEEDINGS ON ADJOURNMENT MOTION

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

EXTERNAL AFFAIRS—ROLE OF ISRAEL IN DECIDING ATTENDANCE OF REPRESENTATIVES OF PALESTINIAN LIBERATION ORGANIZATION AT GENEVA CONFERENCE—POSITION OF CANADA

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, the minister's reply to my question of November 26 in effect underscored and restated his UN declaration regarding the role of Israel in determining the makeup of the Palestinian delegation at the Geneva conference. At New York the minister stated that Israel was an essential party in deciding the question. An earlier version of the text used the word "principal", but apparently this was not considered sufficiently strong and the word "essential" was inserted.

For a long time the minister and his predecessors have said that Canada recognized the right of the Palestinians to be represented at Geneva. The minister referred to this again in his UN speech, although in somewhat muted tones. It is now clear to the world that the Palestinian question, the fate of the Palestinian people, is at the heart of the continuing Middle East crisis. It is also clear that the Palestinians must be heard. They must be given an opportunity to present their case. This they received at the United Nations, and a considerable body of world opinion believes they should be at Geneva. No sensitive, compassionate person can be deaf or blind to the fate of one and a half million people living out a hopeless, sorrowful existence in squalid refugee camps.

In light of Canada's expressed belief that the Palestinians should be at Geneva, I asked the minister how he envisaged their representation coming about. All the Arab

states including the Hashemite Kingdom of Jordan have agreed on designating the PLO as the Palestinian spokesman. The Palestinians under military occupation of Israel, or in the far-flung, dreary refugee camps of the Middle East, have no representative institutions. How then does Canada see them represented. By Jordan? Jordan has itself agreed that the PLO should go to Geneva. Do we envisage them being represented by Israel? It would be strange if the Minister were exalting the right of conquest at a U.N. meeting, and I cannot believe that the minister meant that.

In the light of statements by Israeli leaders that they would never talk to the PLO, what is the effect of the minister's declaration that Israel is an essential determinant of how the Palestinians should be represented at Geneva?

If Israel is given the authority to make the decision on this matter it is clear that the Palestinians will not be represented. Without recognition of the Palestinian cause I fear there will no peace in the Middle East. It is not in Israel's interest that the tension be heightened and the bitter animosity prolonged. It may well be that the minister's statement, more pro-Israeli in some respects than that of the United States, will not in the long run be so helpful.

The situation in the Middle East is complex enough to deter anyone from proffering simplistic solutions. I believe, however, some realities must be faced. By agreeing to sit down with Israel at Geneva the neighbouring Arab states have shown a realism they have for a long time avoided. By going into conference they are, ipso facto, recognizing Israel. Despite all the agonies of the 1940's, the lack of consultation with the Palestinians, the terrorism, the violence, I think the Arabs must now face reality and recognize Israel as a fact of life.

The Israelis must, on their part, recognize that they do not have the right to borders of their own choosing. More fundamental, they must recognize that the Palestinians are a people. The United Nations which set up an Israel also created a new Palestine. Canada, as a United Nations member, has some responsibility, and I was surprised that we voted against observer status for a people to whose future the United Nations made such a fateful contribution in 1948. Not being a state, how else can these people be heard at the international forum which made such traumatic decisions on their fate 26 years ago? It must not be forgotten that the Palestinians were unheard in 1948. Are we to go on forever acting as if they did not exist, did not in fact exist when Israel was created?

I close with my renewed plea for a more open-handed view, a recognition that while UN resolution 242 calls for a situation helpful to Israel, it also deals with territories and rights of other people. Until we have a new measure of compassion, realism, fairness and moderation, this troubled region will threaten the people of its own area and of the whole world.

The Middle East situation is one of immense sensitivity and explosive possibilities. It is an area concerning which we must all seek eternally and energetically for helpful contributions. In the emotion-laden atmosphere surrounding this fearful question there are occasional contributions and utterances which are not helpful. While I have never had anything but kindly feelings for Israel, where I was so well received a few years ago, I think its president's threats of atomic warfare were regrettable. Unfortunate, too, is a tendency to denigrate and sneer at the nations comprising the majority which voted for observer status at the United Nations.

Not for a moment would I accuse the minister or his parliamentary secretary of dealing in such diabolic dialectics, but I do deplore those who sneeringly toss off the majority as merely a union of Africans, Arabs and Asiatics. Such racist elitism is the very antithesis of what the UN should stand for, and should be abhorrent to all liberal internationalists.

I fervently hope that reason, not racism, will prevail, and that, in the words of the Psalm of David, mercy and truth shall meet together. To this end I hope Canada will commit itself.

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I must say at the outset I have no difficulty in sharing the sentiments of the hon. member, my friend from a neighbouring province, on the first part of his speech in which he expressed his sentiments regarding the Palestinians. I can tell the House and the hon. member that those sentiments are shared by many members in this House, and on this side of the House. I do not see any difficulty in reconciling the proposal of the government on this particular issue with the sentiments of the hon. member, which are that there should be understanding and compassion toward the Palestinians.

The Secretary of State for External Affairs (Mr. MacEachen) indicated in his reply to the hon. member on November 26—to use his terms—that it is self-evident that unless there is concurrence on the part of Israel with regard to with whom it will negotiate or with whom it expects to negotiate there is little prospect for a negotiated Middle East settlement. We must understand that the question at issue is the negotiation of a peaceful settlement. I know of no peaceful settlement which can be achieved without negotiation.

The question of which group, body or organization or combination thereof will speak for the Palestinians is one which must be decided by the parties directly involved. It seems both obvious and reasonable to expect, and in my view is essential, that all parties which must be involved in a negotiated settlement of the conflict must recognize each other as parties to the negotiations. Any other option could not reasonably give hope of a peaceful settlement which, by its own definition, must be a negotiated settlement.

● (2240)

SECURITY—RECIPROCAL AGREEMENTS ON PENSIONS WITH FOREIGN COUNTRIES—POSSIBLE AGREEMENT WITH UNITED KINGDOM AND UNITED STATES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Monday, October 21, as reported in *Hansard* at page 552, I put the following question to the Minister of National Health and Welfare:

In view of the fact that several years have gone by since the government launched an effort to secure reciprocal agreements on pensions with a number of countries and in view of the fact that thus far only one such reciprocal agreement has been put into effect, can the minister say whether the government is now prepared to activate this program in the hope that the reciprocal agreements might be reached fairly soon?

Sir, when parliament, back in 1965, passed the Canada Pension Plan, we included in that legislation provision for reciprocal agreements with countries having social security legislation more or less like ours. A couple of years after that, with the kind of fanfare for which Liberals are famous, a commencement was made on the achieving of a number of these reciprocal agreements, but so far only one has been achieved, namely, an agreement with the Federal Republic of Germany, which I think was signed in 1971.

I believe that discussions have been held with certain other countries such as the United Kingdom, the United States, possibly France and I believe Italy, but as yet no agreements have been reported with any of these countries. The reason that we are interested in reciprocal agreements is that there are persons from these other countries now living in Canada who are denied either pensions in the first instance, or increases in pensions paid by the countries from which they came because of the lack of a reciprocal agreement.

I hope, therefore, that this excellent program which, as I say, grew out of the Canada Pension Plan and was started in the late sixties, might get moving again.

I did not take time to read the minister's answer to me on October 21, and I hope he will not read it to me again tonight either. The gist of it is that we are always ready to agree, provided the other side will agree. We are prepared to give our pensions to Canadians in other countries, but we will not do it without an appropriate quid pro quo from the other side.

I hope that tonight the minister will not simply try to win the argument by having the last word and repeating what he said on October 21, but that he will agree with me that it is important to many persons now living in Canada that these reciprocal agreements be achieved. I hope he will indicate that somewhere a fire will be set under somebody so that the program will be advanced and a number of reciprocal agreements achieved at an early date.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as he indicated, the hon. member for Winnipeg North Centre (Mr. Knowles) brought up this matter on October 21 last, and he is bringing it up again. In fact, he would like the government to activate the negotiation of reciprocal agreements with other countries in the field of social security and more specifically in that of pensions.

That was basically the essence of his intervention on October 21 when he suggested more specifically that there was a meeting of minds in this respect between the United States, the United Kingdom and Canada.

I should like to point out that the technical discussions in which the civil servants have taken part in recent months, namely with their United Kingdom counterparts, have brought to light some of the difficulties parliament, and I repeat, parliament will have to overcome if Canada is to pursue a policy designed to protect the vested interests of people who immigrate to Canada or who emigrate from Canada.

As I indicated in my preliminary answer on October 21 last, the basic question to those bilateral agreements is always that of knowing how much the other countries are willing to give up in exchange for the outstandings privileges available in Canada in social security.

[*English*]

"To activate the program," as the hon. member for Winnipeg North Centre would have it, involves a number of problems for this parliament, on the legal and constitutional planes among others. I know of no country, for example, which would be interested in an agreement on old age pensions without including the Canadian Old Age Security program. At the present time there is no provision in the legislation for OAS to be included in international agreements. In addition, certain countries are not interested in an international social security agreement involving old age pensions alone. They would wish to have included programs covering other contingencies which, in the Canadian context, involve programs of differing jurisdictions, some of which have no provision for international agreements.

The one agreement to which the hon. member referred in his question last week is our convention on social security with the Federal Republic of Germany, to which the hon. member again referred to tonight. This is not a standard agreement. I should perhaps explain that pension benefits to which entitlement has been earned under the laws of the Federal Republic of Germany are not normally payable to aliens outside that country unless it has a convention with their country of nationality. The underlying purpose of our convention with the Federal Republic of Germany, therefore, is to provide for the payment in Canada, to Canadian citizens and other persons, of pension benefits to which entitlement has been earned under German law.

[*Translation*]

Mr. Speaker, every time the government feel that it is of benefit to immigrants and Canada to seek out new reciprocal and bilateral agreements on social security, I shall be pleased to indicate to hon. members what measures will have to be taken to implement such a policy.

Adjournment Debate

[*English*]

UNEMPLOYMENT INSURANCE—REASON FOR DENIAL OF BENEFITS TO EMPLOYEES OF BRITISH COLUMBIA RAILWAY—GOVERNMENT POSITION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, first of all I want to thank the Minister of Manpower and Immigration (Mr. Andras) for being here this evening. I know that he, along with other members of this House, recognizes that the difficulties along the British Columbia Railway with respect to unemployment insurance payments are serious, especially at this time and in the context of the economic difficulties afflicting that part of my province.

The chronology of this dispute is important, Mr. Speaker. On November 4 an illegal strike was commenced by five of the unions which had been negotiating with the British Columbia Railway. That strike was recognized as illegal; an injunction was obtained and the strike was ended.

There were incidents at the time of the illegal strike and, if my information is correct, they amounted to the fact that in certain places along the British Columbia Railway north of Williams Lake certain members of other unions at first hesitated to cross the illegal picket lines. Things moved on, and there was a dispute with respect to certification which involved only the five unions which were on strike. I am informed that they comprise only about 500 people, leaving another nearly 2,000 people who worked for or are connected with the work of the railway.

On November 21 the legal strike commenced. I am informed that up until that time the non-striking union members had indicated their determination to go to work, and in fact the railway was operating at about 50 per cent capacity. When the legal strike commenced the British Columbia Railway Company laid off all its employees. As a consequence we have a situation where a strike, now brought legally by about 500 people, has put another nearly 2,000 people in a very difficult position.

The Unemployment Insurance Commission says that only 400 people have applied for benefits. But I say through you to the minister, Mr. Speaker, that the number of people now out of work, not on strike but laid off, is probably closer to 2,000.

● (2250)

I am asking the minister tonight what steps will be taken to exercise that discretion which I believe lies within the Unemployment Insurance Commission to read Section 44 in such a way, without contravening the legal position set out in Section 44 of the Unemployment Insurance Act, that will enable these people to draw their unemployment insurance benefits.

Many of these people, probably the majority of them, have never drawn unemployment insurance benefits. They belong to a very stable work class. As a consequence they are not the kind of people who have been taking advantage of the unemployment insurance system.

I repeat that I am pleased to see the minister here tonight. My question is: what steps is the government prepared to take immediately to exercise an interpretation of Section 44 that will enable these people to collect their unemployment insurance, keeping in mind that the apparent reason for denying these benefits is that there was some refusal to cross illegal picket lines in a strike which was illegal, and which took place before the legal strike that is now in existence?

As far as I am aware there is no indication that these men, apart from the striking workers, have in any way refused to go to work or to be available to the company. The fact is that the company has laid them off.

At this time in British Columbia, along the length of that entire railroad, there is very grave difficulty and serious economic loss. That is what I wish to bring to the minister's attention tonight. I would ask him to intervene personally. I ask the government to make every effort to exercise the discretion which I think is available under Section 44, and make an interpretation of that section which will give to these men at least limited benefits at this very grave and discomforting time in the province of British Columbia.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, may I congratulate the hon. member for the clarity of his presentation, and tell him that in the short time since first he raised the matter I have not had a full opportunity to explore it.

I am told that the Unemployment Insurance Commission, in accordance with the Unemployment Insurance Act and established jurisprudence, disentitled effective November 4, 1974, members of the United Transportation Workers, Canadian Union of Transportation Employees Local 1, the Brotherhood of Railway and Airlines clerks, and some other unions because they were held to be members of a grade and class of workers who were participating in a labour dispute by honouring the picket line established by the shopcraft unions. This was imposed under authority of Section 44(2) of the Unemployment Insurance Act. Although this picketing and honouring by the other unions occurred in the northern section of the British Columbia Railway system, around Prince George, the entire British Columbia Railway system is considered as a single "premises" under the Unemployment Insurance Act and established jurisprudence.

Subsequent to the picketing by the shopcraft unions and refusal to cross by the other unions, there was a partial resumption of work effective November 13, 1974. This was, however, not considered to be "substantial" within the umpire's interpretation of what he contends to be "a termination of the stoppage of work" and sufficient to terminate the disentitlement previously imposed effective November 4, 1974. It is, therefore, considered to be one labour dispute and the stoppage of work has not yet terminated.

I should point out to the hon. member that the unions have filed an appeal against this decision to the board of referees. This is an impartial body set up to hear such cases and render a decision in accordance with the circumstances. The appeal is to be heard on December 23, 1974.

Notwithstanding this information I am conveying to the hon. member, I am intrigued by his presentation. I would like to take a further look personally although I cannot promise to intervene because I am not quite sure it would be proper for me to do so at this time. However, I will look more deeply into the matter and, privately or otherwise, convey to the hon. member further findings that may come to light as a result of that analysis.

Motion agreed to and the House adjourned at 10:56 p.m.

HOUSE OF COMMONS

Tuesday, December 10, 1974

The House met at 2 p.m.

PRIVILEGE

MR. MUNRO (HAMILTON EAST)—REFERENCE TO STATEMENTS IN ONTARIO LEGISLATURE RELATING TO INVESTIGATION OF SEAFARERS' INTERNATIONAL UNION

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I wish to rise on a question of privilege resulting from an exchange yesterday in the Ontario legislature which only recently came to my attention. This exchange has serious implications for the proceedings in this House during the last few days and perhaps for later today. The exchange is as follows and began with a question by Stephen Lewis:

May I ask the Solicitor General, in your reported request to the federal government for a royal commission inquiry into the activities of the SIU, would it be possible for you to indicate to the legislature specifically on what grounds you are making the request, the documentation which you are including in your submission, indeed, could you table the submission on which you based the request.

HON. GEORGE KERR: Mr. Speaker, there is some, shall we say, exaggeration to the story that was reported in this morning's *Sun*.

We are not demanding a probe. There is no application to the federal government for a probe. What I said to the reporter actually was said last Tuesday evening and has been said over and over again in this House in respect to questions of the honourable members. The only new information really that I gave that reporter was the fact that we had correspondence from the Ministry of Justice received on Friday from the federal Minister of Justice requesting our reasons for a federal investigation or a federal inquiry and why we felt that the police forces under the Criminal Code cannot, in fact, conduct any necessary inquiry or investigation. I had indicated to that reporter that we would be replying to the Ministry of Justice this week. Really, as far as new information is concerned, I believe that the honourable member for High Park has indicated in his remarks in this House and the information that the police have, and all of which is available to the federal officials, is really the information in total.

● (1410)

STEPHEN LEWIS: May I ask the Solicitor General, since you have now indicated publicly yourself that the inquiry makes good sense, could you, in fact, table the document, the letter . . . whatever it is that you sent to the federal Minister of Justice or Mr. Allmand so that we can see the formal basis on which you seek it.

HON. GEORGE KERR: Well Mr. Speaker, that will be a letter to the Minister of Justice. I believe the letter actually will be going from my Deputy Minister to his Deputy Minister and whether or not it should be tabled, I suppose, should to some extent depend on his opinion in that regard. But, I have no objection to tabling that letter . . .

At this point I am not going to move a motion, Mr. Speaker, but I wish to draw to the attention of the committee and of this House the content of this exchange I have just read, which suggests that members of the House have been basing some of their interventions in this House on misinformation, and apparently, and I believe, this process of misinformation was calculated.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): That is a total abuse of the rules. There is no question of privilege.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I simply want to say to the minister through you that at no time have I based any interventions I have taken on this matter on any assumption that the Ontario government had asked for an investigation by the federal government. My understanding is that it is the view of the appropriate minister of the Ontario government that there ought to be an investigation, and that the subject matter is properly the subject matter for investigation by the federal government. I think the exchange in the Ontario legislature read by the Minister of Labour (Mr. Munro) this afternoon confirms that. I just want to make it perfectly clear that I, at least, have not been operating under any misapprehension in that regard.

Mr. Munro (Hamilton East): Mr. Speaker—

Mr. Speaker: Order, please. The hon. minister gave me notice of his question of privilege and he has spoken to it. I do not think it is proper to have any more than one presentation on any one subject by one member no matter who he may be. If there are others who want to make a contribution to the point I will be glad to hear them now.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise merely to ask the question I am hearing asked all around me. What is the question of privilege on which the minister has risen?

Mr. Munro (Hamilton East): Mr. Speaker, the question of privilege as far as I am concerned arises from the fact that there has been constant reference in the House—

Some hon. Members: Order, order.

Mr. Speaker: Order, please. If there are no other members who wish to contribute I must say that I had the same question in my mind. The hon. minister has made his intervention, of which he gave the Chair notice. As is the custom, it is necessary to hear hon. members fully in the presentation of what they may believe to be a question of privilege, and generally to hear members opposite on somewhat of an equal time sharing basis in order that both viewpoints are represented.

I must say that on two counts I have no difficulty in coming to the decision that there does not, from any understanding I have of the rules of the House, appear to be a prima facie case of privilege. In any event, the minister did not follow his proposed question of privilege with a motion which would require the Chair to make a ruling, so I propose that we could move on with the business of the House.

Seafarers' International Union

Mr. Lambert (Edmonton West): This is an abuse of the privileges of the House.

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REGULATIONS AND OTHER STATUTORY INSTRUMENTS

MOTION FOR CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

On the Order: Presenting Reports from Standing and Special committees:

November 7, 1974—Mr. McCleave (Joint Chairman of the Standing Joint Committee on Regulations and other Statutory Instruments):

That the Third Report of the Standing Joint Committee on Regulations and other Statutory Instruments, presented to the House on Thursday, November 7, 1974, be concurred in.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I seek the consent of the House to withdraw the first motion standing in my name, and in explanation I would say that I understand the House leaders will decide on the two hour period, perhaps later this week, or at least sometime soon, regarding the debate on the other motion standing in my name.

Mr. Speaker: Order, please. The hon. member has two motions on the order paper standing in his name and seeks leave of the House to withdraw the first of those two. Is that agreed?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

* * *

LABOUR CONDITIONS

SUGGESTED INVESTIGATION OF HIRING HALL PRACTICES OF SEAFARERS' INTERNATIONAL UNION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity, pursuant to the provisions of Standing Order 43, involving a matter of national interest and recent concern to this House. In view of the great emphasis placed on the activities of the SIU and the response of the Minister of Labour (Mr. Munro), and in view of the statutory prohibitions in the Canada Shipping Act against hiring hall practices, I move, seconded by the hon. member for Vancouver South (Mr. Fraser):

That the Minister of Labour direct his officials to make public records and correspondence relating to complaints received from seamen, and further that the Minister cause an investigation in regard to Kenneth McGuire who is a dispatcher at the SIU hall in Montreal, contrary to Article XIII of the SIU Constitution in that he does not have the required sea time and other qualifications.

Mr. Speaker: Order, please. The House has heard the terms of the motion. It being proposed pursuant to Standing Order 43 it cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

MANPOWER

SUGGESTED POLITICAL CONSIDERATIONS IN APPROVING LOCAL INITIATIVES PROJECTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise to move a motion under Standing Order 43 which is both urgent and pressing. In view of documented revelations in today's press that the allocation of federal funds, under the Local Initiatives Program in 1972-73, was made by political rather than economic considerations in that Liberal ridings received nearly twice as much as opposition ridings, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House request that the Minister of Manpower and Immigration appear before the Standing Committee on Labour, Manpower and Immigration, to explain and reveal the reasons for the allocation of funds for each constituency in 1972-73 under LIP.

Mr. Speaker: Order, please. I have some reservations about the subject matter of this motion in respect of its conformity with Standing Order 43; first, because the subject has been raised previously on several occasions in the House and there have been questions and answers with regard to it. I cannot agree that an allusion to a newspaper article puts an element of immediacy or urgency upon something which has been before the House on several occasions in the past.

In addition, I can perhaps place before the House or more stringent requirement in that on this day or on days of this sort hon. members might want to bear in mind that it is somewhat surprising to me to see on an opposition day or on an allotted day—although this is a special day when all parties in the House have agreed upon the subject matter of debate which is of some importance in this House, that being conflict of interest—a motion presented under the provisions of Standing Order 43 which would frustrate this arrangement and perhaps switch the debate to something else. Perhaps I am putting an undue construction on that, but it may be something that hon. members might like to think about in the future.

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[*Translation*]

AIRPORTS

ST. SCHOLASTIQUE—SUGGESTED REFERENCE OF POSITION OF EXPROPRIATED PARTIES TO SPECIAL COMMITTEE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the terms of Standing Order 43, I request the unanimous consent of the House to present a motion dealing with a matter whose importance requires immediate action on the part of the Canadian government.

I therefore move, seconded by the hon. member for Roberval (Mr. Gauthier):

That a special committee of the House be set up to study carefully the problem of the people who were expropriated at Sainte-Scholastique, whose payments have not been finalized, which situation has stirred their wrath and exasperation, and that said committee be required to report to this House by the end of 1974.

Mr. Speaker: Once again, while recognizing that the matter is important and of continued interest to this

House, I feel that it totally lacks the element of urgency which is absolutely required by the provisions of Standing Order 43.

* * *

[*English*]

EXTERNAL AFFAIRS

PETITION REQUESTING CANADIAN SUPPORT FOR THE STATE OF ISRAEL

Mr. John Roberts (St. Paul's): Mr. Speaker, I beg leave to introduce a petition to the House of Commons. It is a petition presented by the Beth Tzedec Congregation of Toronto. It is on a single slip of paper over 370 feet long, the length of a football field. It contains thousands of signatures. The petitioners indicate their solidarity for the state of Israel and request that the House of Commons support Israel by a resolution in the House and prevail upon Her Majesty's government to support the state of Israel at the United Nations.

● (1420)

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INFLATION—MATTERS ON WHICH GOVERNMENT IS SEEKING CONSENSUS OF VARIOUS GROUPS

Hon. Robert L. Stanfield (Leader of the Opposition): My question is directed to the right hon. Prime Minister and it is with regard to the program of trying to achieve a consensus among the principal elements of our economy to which he referred in the Speech from the Throne, and apparently again discussed yesterday at the meeting of the ministers of finance and provincial treasurers. Can the Prime Minister tell us briefly about what the government is trying to seek a consensus. Is it trying to seek a consensus on guidelines with respect to wages, salaries or profits?

Right Hon. P. E. Trudeau (Prime Minister): Beyond what the Minister of Finance and myself have said on this on other occasions, I would just inform the House that the Minister of Finance has been talking about this at the meetings taking place yesterday and today, that he will be reporting to cabinet on Thursday, and that I expect that the series of consultations which are going forward would be made known to the House in a fairly short time.

Mr. Stanfield: That would be fine if it were Alice in Wonderland, but we are here in parliament. I should like to ask the Prime Minister whether he can indicate what it is on which the Minister of Finance is trying to seek a consensus. Is that an improper question to direct to the head of the government who has been talking around this subject for several months now? Can the Prime Minister indicate to us very briefly whether the consensus being sought is a consensus on guidelines?

Mr. Trudeau: The consensus being sought is one on achieving ways of slowing down the rate of inflation and, I hope, bringing it down to a level which will cause the government less concern. That is the general subject of the consultations. The object of meetings of the various groups differs according to the groups that are meeting. Various ministers will be meeting various groups and discussing different aspects of inflation with them.

Mr. Stanfield: I have one final supplementary question. Is the Minister of Finance then seeking a consensus on economic theory, on what is the correct attack on inflation in Canada in the year 1974-75? Is it the approach about which the consensus is being sought and, if so, when may we expect a response, some time in this decade or the next?

Mr. Trudeau: Hopefully in this decade.

Mr. Stanfield: I doubt it.

RATES OF INFLATION AND UNEMPLOYMENT ON WHICH BUDGET PROPOSALS BASED

Mr. James Gillies (Don Valley): Mr. Speaker, my question is also to the right hon. Prime Minister. In light of the reports that are coming out of the Finance Minister's conference that the Minister of Finance based his budget on the assumption of a 9 per cent inflation and 6½ per cent rate of unemployment, can the Prime Minister assure the House that these are in fact the projections or assumptions on which the November 18 budget was based?

Right Hon. P. E. Trudeau (Prime Minister): I could not say for sure, but I am sure the Minister of Finance will be glad to answer that.

Mr. Gillies: In view of those reports, would it be a fair statement that the government is prepared to accept as successful an inflation rate of something like 10 per cent during 1975?

Mr. Trudeau: We constantly indicated that inflation at these rates is inflation that gives the government great concern, and that is the reason we brought in so many policies to combat it. We hope that these policies—

UNEMPLOYMENT—REASON FOR FAILURE TO TAKE INTO ACCOUNT UNEMPLOYED NATIVE PEOPLE IN PREPARING MONTHLY FIGURES—GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in the absence of the Minister of Indian Affairs and Northern Development and the Minister of Industry, Trade and Commerce I should like to put my question to the Prime Minister. In view of the fact that the National Indian Brotherhood estimates the level of unemployment amongst native people living on reserves in Canada varies between 50 per cent and 80 per cent at the present time, can the Prime Minister inform the House why these unemployment levels are not taken into consideration in the preparation of the monthly figures indicating unemployment levels in the country as a whole?

Right Hon. P. E. Trudeau (Prime Minister): I will be glad to refer that question to the appropriate minister, Mr. Speaker.

Mr. Broadbent: A supplementary question. When the Prime Minister refers that question to the appropriate minister would he find out or get a commitment or issue a directive to the minister, rather, indicating the desirability of having statistics available on a regular basis which indicate the level of unemployment on the reserves with our native people. This is obviously a very important way for this House to determine the policies and programs and to what degree they need to be improved to provide employment for these people?

Mr. Trudeau: Mr. Speaker, I will gladly refer that question to the minister as well.

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[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

REQUEST OF QUEBEC TO BE REIMBURSED FOR NOT USING FORCE—CONSULTATION WITH PROVINCE

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister.

Yesterday, I asked him a question arising from the remarks the Quebec Minister of Justice had made the night before on the CBC network, accusing him of hiding behind the Solicitor General and behaving like an hypocrite in connection with the money asked by the province of Quebec in compensation with the non utilization by the Quebec government of the RCMP. The Prime Minister replied yesterday that he would check the remarks made by the Quebec Minister of Justice. Can the Prime Minister now advise the House whether he has checked and communicated with the Quebec Minister of Justice and, in the affirmative, what sort of understanding or misunderstanding they have reached?

Right Hon. P. E. Trudeau (Prime Minister): Yes, in part, Mr. Speaker. I have read some excerpts of the statement made by Mr. Choquette, but I have not seen the complete statement yet. I have been told that he added this morning to what he had already said. I was not aware of this before I came into the House. I simply cannot reply as long as I have not read the complete statement. On the other hand, I am not the type to hide behind any of my ministers; if Premier Bourassa wants to contact me about this, I think he could do it directly, without passing through Mr. Choquette.

[*English*]

Mr. Broadbent: Mr. Speaker, a point of order. Just when the Prime Minister was sitting down after having answered my last question, which was really intended for the Minister of Indian Affairs and Northern Development, that minister came into the House. I wonder if I could be permitted to direct the question to him now that he is here.

Mr. Trudeau: He will get notice of it.

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

[Mr. Broadbent.]

FISHERIES

LOSSES OF LOBSTER FISHERMEN AS RESULT OF STORM—REQUEST FOR ASSISTANCE

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Minister of Fisheries. In view of the staggering lobster trap losses suffered by lobster fishermen from Sable Islands, Shelburne County, to Cole Harbour, Halifax County, Nova Scotia, as a result of a severe storm on the night of December 2 which delivered a crippling blow to the inshore lobster fishing industry, has the minister taken steps to classify this area as a disaster area or what action does the government contemplate taking to assist these fishermen in surmounting their disastrous losses?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I thank the hon. member for indicating to me yesterday that he intended to raise this question. My colleague from Yarmouth also raised it. I regret to inform the House that some 92,000 traps have been lost and in some areas it has been a complete disaster, with as much as a 75 per cent loss. In other areas the loss varies from 25 per cent to 40 per cent. When we get a full assessment I hope we can do something about it.

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THE ARTS

REQUEST FOR ASSISTANCE TO CHARLOTTETOWN CENTRE OF THE PERFORMING ARTS

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I have a question for the Secretary of State of which I sent him notice yesterday. I am sure his parliamentary secretary will be able to reply. May I ask if the minister has received an urgent request for an emergency grant for structural and maintenance aid for the Confederation Centre of the Performing Arts in Charlottetown. Also, can he advise what measures of assistance are contemplated for this artistically valuable cultural centre erected by the national and provincial governments to commemorate the Charlottetown conference of 1864, the deliberations of which brought this country into being.

● (1430)

Mr. Gustave Blouin (Parliamentary Secretary to Secretary of State): Mr. Speaker, I will be glad to take the hon. member's question as notice and refer it to the minister.

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THE CANADIAN ECONOMY

INFLATION—INTENTION OF GOVERNMENT IN SEEKING CONSENSUS OF VARIOUS GROUPS

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is directed to the Prime Minister. As the Minister of Finance said yesterday, "I want the labour movement and business to tell me what they can do and then we will see if we can work out a consensus," is it not

the intention of the government to present immediately to these groups at least a preliminary policy of its own as to what level of restraint should be expected from each, or does the Prime Minister merely wish to play the role of host?

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

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CONFLICT OF INTEREST

REQUEST FOR ASSURANCE NO MINISTER HAS TRANSFERRED ASSETS TO SPOUSE

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is also directed to the Prime Minister. Since the Prime Minister's guidelines for conflicts of interest relating to ministers of the Crown do not include spouses and since the right hon. gentleman, in answer to a question by the hon. member for Rocky Mountain, said that he had discovered potential conflicts of interest during the period he had given ministers to put their affairs in order, can he assure the House that under present guidelines no minister of the Crown has transferred assets to a spouse in order to avoid conflict of interest.

Mr. Speaker: Order, please. I wanted to hear the full import of the question before intervening. The hon. member well knows that the subject of conflict of interest guidelines, and the green paper have been referred to the standing committee. Also, specific guidelines respecting conflict of interest involving ministers and senior civil servants are to be the subject matter of debate today and I feel that these questions should be dealt with then rather than at this time.

Some hon. Members: Hear, hear!

Mr. Grafftey: On a point of order, Mr. Speaker, I wish the minions on the backbenches would remain silent. It was precisely because there is to be that debate this afternoon and this evening that I asked my question, since the Prime Minister's answer would have a bearing on my remarks either this afternoon or this evening. The Prime Minister may not necessarily be present in the House during the debate, nor will he necessarily reply to speeches made later today. That is why I asked this specific question. I am sure he would like to answer.

Mr. Speaker: Be that as it may, I feel that whoever participates in this important debate on behalf of the government will be able to address himself, as the lead-off speaker, to the very important question asked by the hon. member. I think that will be the appropriate time to do it.

Mr. Woolliams: Mr. Speaker, I rise on a point of order. I think the answer to the hon. member's question would put the debate in its proper perspective.

Some hon. Members: Oh, oh!

Mr. Woolliams: Mr. Speaker, I do not know why the hon. member for Labelle wants to shout and yell all the time. I do not think he was sent to this House to do that. I am trying to make a sensible, responsible suggestion. The answer to the hon. member's question would put this afternoon's debate on the rails.

Mr. Speaker: Order, please. The hon. member for Burnaby-Richmond-Delta.

[*Translation*]

Mr. Roy (Laval): Mr. Speaker, I rise on a question of privilege. I listen religiously to the questions of hon. members of the opposition, but I think that if the hon. member for Brome-Missisquoi had referred himself to today's order paper, he could have waited to put his question during the debate now about to take place.

[*English*]

Mr. Speaker: Order, please, the hon. member for Burnaby-Richmond-Delta.

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PENITENTIARIES

BRITISH COLUMBIA—ESCAPE OF TWO INMATES—SUGGESTED MANNING OF TOWERS TWENTY-FOUR HOURS A DAY

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Solicitor General and has to do with the escape from the British Columbia penitentiary last week of two dangerous criminals. Can the Solicitor General advise the House if the four towers in the British Columbia penitentiary will be manned 24 hours a day, as they were last year when there was such a rash of escapes, so that the people of British Columbia may be protected against escaping convicts?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the only time the towers are not manned is—

An hon. Member: For coffee break.

Mr. Allmand: —from midnight until eight o'clock in the morning.

Some hon. Members: Oh, oh!

Mr. Allmand: Mr. Speaker, I was trying to say that the only time the towers are not manned in the B.C. pen is after midnight, when inmates are locked in their cells. In this particular escape inmates had put dummies in their cells, and had hidden—

Some hon. Members: Oh, oh!

Mr. Baldwin: The dummies are on the government side.

Mr. Hees: Is that why you are so slim today?

Mr. Allmand: Mr. Speaker, I am trying to give the House full information on this question. Before lock-up these inmates had put dummies in their beds and had hidden outside. After the lock-up, with the guards absent from the towers, they escaped.

Mr. Hees: The dummies stayed in and the prisoners walked out.

Some hon. Members: Oh, oh!

Mr. Allmand: Mr. Speaker, it is difficult to know if the opposition is really serious about hearing an answer to the question. Last year we tried, for a while, to keep guards in the towers at all times, even when inmates were locked in their cells. It was found to be an expensive operation and it was recommended to me as being unnecessary. As a result of that escape—

Mr. Hees: How many got out?

Mr. Allmand: I must say that few escaped after midnight and before the men got up in the morning, but there were these escapes. I am looking at this question again; it involves the question of cost-benefit ratio. Is it worth keeping guards in all towers between midnight and six or seven o'clock in the morning? We will look into that once more.

Mr. Reynolds: A supplementary question, Mr. Speaker. As prisoners are still escaping between midnight and eight o'clock in the morning, would the minister consider putting dummies in the towers so that prisoners will think they are being watched?

Mr. Allmand: Are you available for the job?

Some hon. Members: Oh, oh!

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FINANCE

REDUCTION OF TARIFF ON BICYCLES—EFFECT ON INDUSTRY AT RIVERS, MANITOBA

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, in the absence of the Minister of Finance—

An hon. Member: He is in the tower.

Mr. Dinsdale: —perhaps I can direct my question to the Prime Minister. As the recent reduction form 25 per cent to 15 per cent in the customs duty on imported bicycles is threatening the industry at the former Rivers defence base, that being a successful project supported by the Department of Indian Affairs, what action is the government taking to resolve this conflict of interests?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, on behalf of the Minister of Finance who has been consulting with me on this matter because DREE is involved in the project, may I advise the hon. member that the matter is now under consideration. No decision has been made about duty. I should point out that some changes in sales tax regulations will be of benefit to the company and may offset to some degree the effects of the decline in the rate of duty.

● (1440)

Mr. Dinsdale: A supplementary to the Minister of Indian Affairs and Northern Development. Has the minister been made aware of this problem and has he moved to protect the interests of the native people who are employed on this project?

[Mr. Hees.]

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker, I have been made aware of the problem and I have been discussing the situation with my colleague, the Minister of Finance.

* * *

INDUSTRY

STEEL—GOVERNMENT ACTION TO DETERMINE IF PRICE INCREASES RELATED TO COSTS

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, in the absence of the Minister of Industry, Trade and Commerce I should like to direct my question to the Prime Minister. In view of the conclusion reached by Judge Estey in the steel price inquiry that "any future price increases should be linked directly to cost increases, otherwise the profit margins which customarily obtain in the industry will be exceeded", and in view of the announcement by the steel companies this week of further price increases ranging from seven to twelve per cent in the case of certain products, has the government conducted an investigation to determine whether these increases are directly related to costs, and, if not, why not?

[*Translation*]

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, in the absence of the Minister of Industry, Trade and Commerce I take notice of this question. I will be pleased to get the necessary information.

[*English*]

Mr. Symes: I did not get an answer to that question from either the minister or the Prime Minister, but I think the Prime Minister can answer this supplementary: will the right hon. gentleman ensure that these price increases, if justified, will apply only to new production and not to the existing inventory, so as to prevent, in effect the double ticketing of steel products?

Right Hon. P. E. Trudeau (Prime Minister): I am sure this is the kind of question I would have referred to the parliamentary secretary had I been given notice of it. His minister is presently meeting with the Prime Minister of Iran. This is not the kind of question to which I have the answer in my head, and I think the House should realize that. If I had answered the question I would have answered it in exactly the same way as the parliamentary secretary did.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

NATURAL RESOURCES

GOVERNMENT POSITION ON DEVELOPMENT AND EXPORT OF URANIUM

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I would like to put a question to the Minister of Energy, Mines and Resources.

Following the federal-provincial conference on mining policy, Quebec Finance Minister Massé has maintained that the federal government should withdraw from the uranium mining industry. Did the minister communicate with the provincial minister about this?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker, I did discuss the matter with the minister and I have also looked into his communication.

Mr. Gauthier (Roberval): Mr. Speaker, I have a supplementary.

Contrary to the agreements signed by the provinces, does the minister consider that the role of the federal government is to act simply as a customs officer when it comes to the export of uranium?

Mr. Macdonald (Rosedale): No, Mr. Speaker. I have informed the provincial ministers that the federal government does not intend to relinquish its jurisdiction over uranium.

Mr. Fortin: Mr. Speaker, I have a supplementary.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HIS EMINENCE ABBAS HOVEYDA, PRIME MINISTER OF IRAN

Mr. Speaker: Before carrying on with the question period may I direct the attention of hon. members to the arrival in our galleries at just this moment of a very distinguished visitor, His Eminence Abbas Hoveyda the Prime Minister of Iran.

Some hon. Members: Hear, hear!

* * *

GRAIN

PROPOSED CONTINUOUS OPERATION OF DRYING FACILITIES AT TERMINALS—GOVERNMENT POSITION

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Justice who reports for the Wheat Board. Since it is a known fact, or an estimated fact—

Some hon. Members: Oh, oh!

Mr. Korchinski: Since it has been estimated that 26 per cent of all the grain in western Canada is either tough or damp, are the drying facilities at the terminals, particularly those at Thunder Bay, working round the clock on a seven-day-a-week basis?

Hon. Otto E. Lang (Minister of Justice): With the slowdown in the movement of grain out of Thunder Bay there may have been some difficulty recently about unloading at maximum capacity, but I can assure the hon. member that the Wheat Board is very conscious of this problem and is urging farmers to do a lot of the drying themselves. The board is also making sure that the various drying facilities both inland and at the ports are being used to capacity.

Mr. Korchinski: Since it is a known fact that it is more economic to dry the grain at the terminals than to do so in private drying facilities, will the minister ask the Wheat Board and those concerned to endeavour to operate these facilities on a seven-day-a-week round the clock basis?

Mr. Lang: As I have indicated, even if the facilities are being operated in that fashion, a significant amount of drying on the farm will still be required. The fact of the matter at present is that it is more economic to dry the grain in that way—recent changes in price spreads have widened the differential in price between damp and dry grain, so it is more profitable for the farmer to dry it.

* * *

ENVIRONMENTAL AFFAIRS

PROPOSED ENVIRONMENTAL CENTRE, VANCOUVER—GOVERNMENT POSITION ON CONSTRUCTION

Mr. Ron Huntington (Capilano): Mr. Speaker, I have a question for the Minister of the Environment. Would the hon. lady please advise us whether plans for the new environmental centre in Vancouver promised by the former minister of the environment during the July election campaign are continuing and, if so, whether they are available?

Hon. Jeanne Sauvé (Minister of the Environment): The hon. member is no doubt aware that some restraint has to be exercised in capital expenditure—

Some hon. Members: Oh!

Mrs. Sauvé: This particular expenditure is presently under review and will be looked at in the context of general government expenditures.

* * *

HOUSING

ELIGIBILITY OF PURCHASERS RECEIVING PROVINCIAL ASSISTANCE FOR FIVE HUNDRED DOLLAR GRANT

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I should like to direct a question to the Minister of State for Urban Affairs. Would the minister inform the House whether or not recipients of housing assistance under provincial housing programs through which the cost of homes has been reduced, in some cases, to the $18,000-$25,000 level, will be eligible for the $500 tax-free cash grant?

Hon. Barney Danson (Minister of State for Urban Affairs): Without understanding the question fully, I would suggest that if it is a first-time purchase and if it complies with the other criteria, these people will be eligible.

Mr. Darling: If, as the minister indicates, these people will be eligible for the grant, will the hon. gentleman tell us whether or not he considers this to be appropriate, bearing in mind the fact that they have already received housing assistance?

Mr. Danson: Well, Mr. Speaker, there are a large number of people who receive housing assistance in one form or another because so many programs have been initiated by the federal government with a view to helping those who need housing. But they will, nevertheless, be eligible for further benefits, except in certain circumstances where people have received more than 100 per cent financing.

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CANADIAN NATIONAL RAILWAYS

MACDONALD HOTEL, EDMONTON—POSSIBLE SALE TO CONRAD HILTON CHAIN

Mr. Arnold Malone (Battle River): Mr. Speaker, I have a question for the Minister of Transport. Does Canadian National intend to sell any of the CN hotels? Specifically, is the Macdonald Hotel in Edmonton up for sale to the Conrad Hilton hotel chain?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): I do not have the answer to that question but I will take it as notice and obtain a reply for the hon. member.

* * *

● (1450)

ENERGY

OIL—PROPOSED COMMITTEE INVESTIGATION OF REASON DRILLING RIGS LEAVING ALBERTA

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask a question of the Minister of Energy, Mines and Resources. In view of the fact that drilling rigs in Alberta are now leaving in droves and Canadian geologists and technical know-how people are leaving for the United States, all caused by the devastating policies of the federal government and the uncertainty, is the minister now prepared, as he does not seem to accept the real facts, to give a direction, with the co-operation of the members of the House, to the Standing Committee on Energy, Mines and Resources, or to the standing committee that looks after this matter, to go to Calgary, Edmonton and other places in Alberta and in Saskatchewan to get the facts immediately, so as to reverse these policies and secure a supply of petroleum for Canada in the future?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I might suggest to the hon. gentleman that he start off by reading the speech of Premier Lougheed last week, when he pointed out that while there may indeed have been rigs leaving Alberta, they were going in some cases to federal territories. Perhaps he might like to look into the policies of the provincial government first.

[Mr. Danson.]

Mr. Woolliams: Perhaps the minister is prepared to send some people from his department to the ports of entry of Canada and the United States, where they would see drilling rigs leaving Alberta for the United States. Just as an aside, the last one out last week put the lights out in Calgary.

Mr. Macdonald (Rosedale): Mr. Speaker, I must say I am inclined to take the judgment made by the premier of Alberta regarding the reasons for the drop in drilling in that province, and, of course, he does not ascribe it in any sense to the reasons stated by the hon. gentleman.

DISALLOWANCE OF ROYALTIES AS DEDUCTION FROM INCOME TAX—GOVERNMENT POSITION ON ROYALTIES IMPOSED BY FEDERAL LEGISLATION IN YUKON AND NORTHWEST TERRITORIES

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the minister.

Some hon. Members: Hear, hear!

An hon. Member: Welcome back.

Mr. Nielsen: Mr. Speaker, I am always overjoyed at the welcome back given to me, but hon. members do not seem to realize that I and the hon. member for Northwest Territories come from a jurisdiction under the absolute control of the federal authority and we have to run around after dozens and dozens of boards and commissions.

Some hon. Members: Oh, oh!

Mr. Nielsen: My question to the minister of energy is this. With respect to the policy of the government on disallowance of royalties as a deduction from income tax, does the government intend to apply that same policy to the royalties imposed by federal legislation in the federal jurisdictions of the Yukon and Northwest Territories?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. gentleman might like to pose that question to my colleague, but my answer is that I believe that is also the policy.

* * *

EXTERNAL AFFAIRS

SUGGESTED AFFRONT TO BRITAIN BY PRIME MINISTER ENTERTAINING MR. GRESKO, AN ALLEGED SOVIET SPY—PROPOSED REFUSAL OF ENTRY TO MR. GRESKO

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is directed to the right hon. Prime Minister and deals with the Soviet espionage agent Alexander Gresko. Can the Prime Minister offer any explanation why he would have his picture taken in his office with Mr. Gresko, a well known senior Russian spy already ejected from Great Britain for high level espionage activities, and does not the Prime Minister consider it a political affront to Britain if he entertains a person who is declared by that government persona non grata?

Right Hon. P. E. Trudeau (Prime Minister): I do not consider that an affront, Mr. Speaker.

Mr. Jelinek: Mr. Speaker, I have a supplementary question for the Prime Minister. Assuming that it is the policy of the Department of External Affairs to grant neither diplomatic nor courtesy visas to known Soviet spies or other spies, which in fact they have done in the past, and assuming that it is the policy of that office to regard information from the RCMP on matters relating to national security seriously, would the Prime Minister assure the House, therefore, for the sake of national security, notwithstanding the security for the Olympic games—Mr. Gresko is Soviet attaché to the games in Montreal—that appropriate steps will be taken to declare Alexander Gresko persona non grata in Canada and to refuse him any further entry to this country? If not, I should like some explanation why not?

Mr. Trudeau: Mr. Speaker, I can assure the hon. member that the Department of External Affairs and the RCMP are aware, and were aware, of the identity of Mr. Gresko. Any steps that they take will be made known to the House.

* * *

ENVIRONMENTAL AFFAIRS

POSSIBLE ACCORD WITH ALBERTA CONCERNING ENVIRONMENTAL JURISDICTION OVER TAR SANDS

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of the Environment. In view of the desire frequently expressed by representatives of the government of Alberta to develop the Alberta tar sands as soon as possible, and in view of the statement of the Minister of the Environment of that province on November 4 in the Alberta house in which he said that "the accord"—he meant the accord between themselves and the federal government—"if and when we reach one, will recognize that the province will be in the forefront in dealing with the companies", and that "we are very close to reaching an accord", would the minister advise this House if negotiations are still taking place, and has an accord been reached with the government of the province of Alberta concerning environmental jurisdiction over the tar sands?

[*Translation*]

Hon. Jeanne Sauvé (Minister of the Environment): No, Mr. Speaker. The question of agreements on responsibilities in environmental matters is now under study. A draft of the agreement which could be signed between the different provinces and the federal government is now before the Alberta Minister of Environment and Resources. He sent me back some corrections, some amendments he would like to make to this agreement and we are discussing this.

[*English*]

ALLEGED DESTRUCTION OF BIRDS IN TAR SANDS—POSSIBILITY OF CHARGES BEING LAID

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, may I ask a supplementary question. In view of the fact that there have been rumours that 1,000 to 2,000 birds have been destroyed in the tar sands—and there is certainly confirmation of some bird kill—is the minister now ready to advise the House whether her department has determined if charges should be laid with respect to the death of any of those birds in the tar sands, or whether an investigation has been completed?

[*Translation*]

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, about the report on bird killings in the tar sands, I must say there is no basis to it. There has been no such thing as the destruction of thousands of birds in ponds used for settling some residue from tar sands development plants.

[*English*]

Mr. Leggatt: A final supplementary question, Mr. Speaker. Will the minister assure the House that she will rely on information received from her own department and from the government of Alberta, rather than information provided by the companies, which has largely been the case to date?

[*Translation*]

Mrs. Sauvé: I think the information to which the hon. member alluded come from the press and those I gave him come from my own services.

* * *

HISTORIC SITES

MOTHER HOUSE OF GREY NUNS, MONTREAL—POSSIBLE HISTORIC SITE

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, I should like to put a question to the Minister of Indian Affairs and Northern Development.

How does he propose to implement the recommendation of Heritage Canada, made public on December 9, that the federal government should recognize the mother house of the Grey Nuns of Montreal as a national historic site, buy it, endeavour to renovate it and use this architectural complex for public purposes?

[*English*]

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am aware of this representation made by Heritage Canada and it is my intention to draw it to the attention of the Historic Sites and Monuments Board, which must first make a determination as to its historical significance.

Oral Questions

HEALTH

NEED FOR INCREASE IN NUMBER OF MEDICAL STUDENTS—GOVERNMENT POSITION

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct my question to the Minister of National Health and Welfare. In view of the fact that a high proportion of foreign students are presently enrolled in Canadian medical schools and that at the time Medicare was introduced by the government a commitment was given that federal funding would be used to expand medical school facilities, would the minister now give us an explanation regarding what policies are presently underway to increase the number of seats in Canadian medical schools for medical students?

● (1500)

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the answer could be long but I will try to make it as short as possible. Over $500 million has been spent on improving medical education facilities in this country after the introduction of Medicare, and at the present time the rate of production in our medical faculties in Canada is substantially higher than it was five or 10 years ago. As far as the presence of foreign students in our medical faculties is concerned, we must bear in mind that we have a great number of Canadian students and graduates of medicine studying abroad in other countries, so we should be very careful before we jump to any conclusion as to what should be done with regard to foreign students in Canada.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

REQUEST FOR AMENDING LEGISLATION CONCERNING JUVENILE DELINQUENTS

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like to put a question to the Minister of Justice.

Since the legislation presented last year on juvenile delinquents has been generally rejected, would the minister tell the House whether he intends to introduce a new bill to amend the Juvenile Delinquents Act?

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the work in connection with the bill is going on under the supervision of the Solicitor General.

* * *

LABOUR CONDITIONS

REASON FOR ALLOWING CONTINUANCE OF HIRING HALL SYSTEM BY SEAFARERS' INTERNATIONAL UNION IN VIEW OF LEGISLATION PROHIBITING PRACTICE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Labour but I do not see him in his seat, so perhaps I can—

An hon. Member: Here he is.

[Mr. Buchanan.]

Some hon. Members: Hear, hear!

Mr. MacKay: Mr. Speaker, the Norris inquiry dealt at length with the dangers and problems associated with hiring hall practices and so on. Charges have been raised time and time again with regard to "do not ship" lists and other problems directly related to the hiring hall and the Seafarers' International Union. I would ask whether the minister can advise why the hiring hall system of engaging seamen is continually used by the Seafarers' International Union and the Canadian Lake Carriers Association when there is a specific legislative provision outlawing the hiring system set forth in Section 154(1) of the shipping act? It is very short so I should like to read it. I am sure the minister is aware of it. It states—

Mr. Speaker: Order, please. I am sure the minister is aware of the law.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, the question of the hiring hall as it is being practised has not been the subject of a complaint by the major parties involved, for instance on the Great Lakes. I will say right now in the House in answer to the hon. member that if anybody wishes to launch a complaint against the present practice, or back up any allegations with any facts at all we will look into the matter. In the meantime, I have been advised that this is not the case at the present time.

Mr. MacKay: Mr. Speaker, in view of the minister's answer I would like to put another very brief question to him. Is he in fact satisfied that any complaints which have arisen relative to this matter are being adequately looked after by the so-called "watchdog committee" that has been set up through the Canadian Labour Congress? I should like also to go back briefly and ask the minister again, since he is familiar with this specific statutory prohibition against the hiring hall system, why it is that this particular statute of Canada is not being enforced?

Mr. Munro (Hamilton East): Mr. Speaker, I do not accept for a moment the hon. member's legal interpretation in respect of that particular section. I think if anything is required in terms of an amendment to the code, it would be in relation to complaints in respect of people being abused as a result of the system so they can be dealt with quickly. I do not agree with the present legal interpretation, and I would reiterate to the hon. member that if any complaints should come forward they should immediately be referred to the Canada Labour Relations Board for investigation.

Mr. MacKay: Mr. Speaker, I have a supplementary question or a point of order.

Mr. Forrestall: Or a question of privilege, one or the other.

Mr. Speaker: No matter how you describe it, there seems to be a contest between the two seat mates to see who will ask the next question. If they can agree I will be glad to have one of them ask the next supplementary question.

Mr. MacKay: Go ahead.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I am wondering whether the Minister of Labour is attempting to advise the House that the SIU is above the law in respect of infractions under the act under which it operates and which is within the jurisdiction of this particular legislative body, and that these should not be construed as infractions unless somebody complains?

Mr. Munro (Hamilton East): Of course not, Mr. Speaker. All I am indicating—

Mr. Forrestall: That's what you said, John. Don't be so hyper.

Mr. Munro (Hamilton East): All I am indicating is that during the time the so-called "hiring hall" practice has been underway there have been no complaints in respect of it. I want to say as well that during negotiations on the Great Lakes this was not a principal issue of dispute between the employers and the employees. If the hon. member wishes to launch a complaint in respect of abuses of the so-called "hiring hall" system, there are mechanisms now in place to thoroughly investigate and come to a conclusion.

Mr. Forrestall: John, you are so sensitive about a completely straight-forward matter that you cannot see your nose.

* * *

HEALTH

REASON FOR INCREASE IN PRICE OF INSULIN—INCREASE IN PRICE OF PANCREATIC GLANDS

Mr. Bob Brisco (Kootenay West): Mr. Speaker, in view of the fact that the price of insulin has increased by over 20 per cent in the last two months, and the fact that this price was held steady for years when Connaught Laboratories was under the aegis of the University of Toronto, can the Minister of National Health and Welfare explain why insulin production, which is essential for the survival of thousands of Canadians, was put on a profit making basis when Connaught Laboratories became part of the Canada Development Corporations?

Mr. Speaker: Order, please. That question has a very familiar ring to it. If I am not mistaken, another member of the hon. member's party put that question in exactly those words to the minister.

Mr. Brisco: Mr. Speaker, I rise on a point of order. My question was prompted by a direct letter of inquiry from one of my constituents with information I was not aware had been presented before.

Mr. Speaker: I am not sure whether the minister answered the question at the time.

Hon. Marc Lalonde (Minister of National Health and Welfare): No, I do not think it was. I wish to thank the hon. member for giving me notice of his intention to ask a question on this matter. I should like to draw his attention to the fact that animal pancreatic glands, from which insulin is made, have gone up in price very substantially from approximately 35 cents a pound to 75 cents a pound. It is inevitable that some of this increase would show up in the price of insulin. I am just as concerned as the hon. member about the increase in the price. There has been a meeting between the interested parties concerned, the Connaught Laboratories, the Canadian Diabetic Association and several federal departments, at which the whole question of price and supply was discussed. Indeed, a close look is being taken at this situation. I might add that every indication is that the price of insulin has not gone up by as much as the price of the glands has gone up, and it is unlikely that it will do so.

Mr. Brisco: Mr. Speaker, in view of the fact there has been such a pronounced increase in the price of the pancreatic glands which are used, as the minister has said, in the manufacture of insulin, and in view of the fact that this price is not reflected in current revenue, according to the cattle industry, what explanation does the minister have for the increase in the price of these particular organs?

Mr. Lalonde: Mr. Speaker, I am afraid I do not have a complete answer in respect of this particular situation, except that the price of animal products has gone up substantially over the last few years.

INSULIN—POSSIBLE HOARDING OF PANCREATIC GLANDS BY PRODUCERS TO DRIVE UP PRICE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the minister whether he has carried out studies or investigations within his department to determine if producers are in fact withholding animal pancreas from the market in order to drive the price up? This is the evidence we have.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the evidence that my department has collected from the meetings and discussions that have taken place between the parties concerned, including the Canadian Diabetic Association and Connaught Laboratories, has not provided us with any indication at all of hoarding. There appears to be no foundation to this allegation. What has happened is that there has been a higher demand for glands, not only for insulin production but for other purposes. The packing industry has been made aware of the priority that should be given to providing glands for the production of insulin. The conclusion is that there is no reason to expect any particular shortage of insulin in the foreseeable future.

● (1510)

Mr. MacKay: Mr. Speaker, I have a very brief point of order for the sake of clarification. I do not want there to be any confusion in respect of *Hansard* tomorrow. The minister was referring to the Canada Labour Code in the course of an answer to me and I was referring to the Canada Shipping Act. I just want to have on the record that while he was speaking about complaints and so on pursuant to the Canada Labour Code I was referring to section 154 (1) of the Canada Shipping Act when I was asking the question.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—REFERENCE TO COMMITTEE OF GREEN PAPER "MEMBERS OF PARLIAMENT AND CONFLICT OF INTEREST"

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

That the green paper entitled "Members of Parliament and Conflict of Interest" tabled on November 27, 1974, be referred to the Standing Committee on Privileges and Elections; and

That, after the committee has concluded its deliberations and submitted its report on the aforementioned matter, it be authorized to consider and make recommendations upon the subject-matter of ministers and conflict of interest and public servants and conflict of interest.

Mr. Baldwin: I rise on a point of order, Mr. Speaker. There has been some discussion about time limits on this debate. This is a government motion on an opposition day, so it has some characteristics of both. I think there is general understanding that the normal rules should apply. However, I am advised by my seatmate that he will not abuse his privilege in respect of unlimited time, like the seatmate of the government House leader did not long ago. After the first four speakers, two speakers for the official opposition, and after the government House leader, who will be speaking later by agreement—

Mr. Sharp: I will speak first.

Mr. Baldwin: I beg your pardon. After the government House leader, the first two speakers for the official opposition, and speakers for the NDP and the Créditistes have spoken, there will be a ten-minute limit on speeches. I think this will be useful and will give members more opportunity to discuss this important issue.

[*Translation*]

Mr. Fortin: Mr. Speaker, I rise on a point of order. I would like to make sure that this agreement implies that our first speaker will have enough time to deliver his speech and that the next two will have ten minutes. Is that what the hon. member for Peace River means?

[*English*]

Mr. Baldwin: Not unlimited time.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, that was not quite our understanding, if I may speak as one who was involved in the discussion. We understood that the President of the Privy Council (Mr. Sharp) and the Leader of the Official Opposition (Mr. Stanfield), who would be the first two speakers, would try to hold themselves to half an hour each, and that thereafter the first speaker for this party and the first speaker for the Social Credit party would get half an hour and everybody else would get ten minutes. This is the proposition to which we agreed.

Mr. Stanfield: On a point of order, Mr. Speaker, may I say that I hope I do not go beyond half an hour, but I do not agree to be limited to half an hour. I will try to stick to it as much as I can.

[Mr. MacKay.]

Mr. Sharp: We are agreeable to that understanding. I shall try to keep my remarks to within 30 minutes, but I hope I will not be stopped if I should take another two or three minutes.

Mr. Speaker: Order, please. The extension of anything resembling unlimited time, or 30 minutes as I understand it, to all three speakers from the opposition parties is a departure in itself from the rules. My understanding of the rules is that the mover of a motion on an allotted day, and the first speaker immediately in reply thereto, are not under any constraints as to time; thereafter, everyone suffers the 30-minute time limit. However, if it is understood that there is a relaxed view toward the first four speakers, but that deadlines are such that they ought to try to keep themselves within 30 minutes if at all possible, perhaps we can proceed on that basis. Thereafter, all speakers would have ten minutes. Is that agreed?

Mr. Peters: Mr. Speaker, I disagree with the ten-minute limitation. I would be agreeable to cutting it in half from 30 minutes to 15 minutes, but not to ten minutes.

[*Translation*]

Mr. Fortin: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The hon. member for Lotbinière (Mr. Fortin) rises on a point of order.

Mr. Fortin: Mr. Speaker, I think this is an important point. You just said that the spokesmen for the government and for Her Majesty's Loyal Opposition will each be able to speak for 30 minutes, but you did not say how much time will be allocated to the leaders of the New Democratic Party and of the Social Credit Party of Canada. This is why I would like to insist that the leader of the Social Credit Party (Mr. Caouette) be given as much time as the government's and the Official Opposition's spokesmen, otherwise we would withdraw our support.

[*English*]

Mr. Speaker: It is evident that the Chair can be guided here only by some accord from members, which does not seem to exist or, alternatively, apply the rule which exists, which is the way we will have to proceed.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, during the last parliament my predecessor in office, now the Secretary of State for External Affairs (Mr. MacEachen), tabled a green paper entitled "Members of Parliament and Conflict of Interest" and placed on the order paper a motion to refer this paper to the Standing Committee on Justice and Legal Affairs. As hon. members are aware, I tabled the same paper again in this House and put down a similar motion for its reference to the same standing committee.

As a result of discussion among the party representatives—here I should like particularly to acknowledge the co-operation of the Leader of the Official Opposition (Mr. Stanfield)—the final allotted day for this part of the session is being devoted to a debate on the reference which, however, has been amended to refer the green paper and the other questions to the Standing Committee on Privileges and Elections. The motion asks the commit-

tee to study and report to this House on the green paper which deals with members of parliament and conflict of interest, and then to turn its attention to two related members—ministers and conflict of interest and public servants and conflict of interest.

All three matters are of major importance, and the government has taken the lead in all of them. We initiated the reference to the standing committee because we want the proposals we have made, whether relating to members of parliament, ministers or public servants, to be examined carefully and thoroughly and we are hopeful that out of this study will emerge a sound basis on which to base both the law and the practice. We shall take steps, I might add, to bring the same matter before the other place because the position of senators is involved just as is the position of members of parliament.

On several occasions, the Prime Minister (Mr. Trudeau) and other ministers have emphasized that we have put forward our proposals in this difficult field, whether relating to members of parliament, ministers or public servants, not as fixed and final but as constructive steps forward. They are subject to review and can probably be improved. We are prepared to look at them again in light of the conclusions of the standing committee and of parliament as a whole because eventually the committee's report will be returned to us.

I should remind hon. members, as we enter this debate, that already parliament has taken major action in a related field by recent amendments to the Canada Elections Act and by passage of the Election Expenses Act. We have gone a long way by these reforms to put the financing of election campaigns and the financing of political parties on a basis that minimizes any possible conflict of interest and that in fact encourages individuals, corporations and trade unions to participate in the political process by making contributions to their candidates or to the political parties they wish to support.

I mention this in light of recent discussion in this House. I draw attention particularly to the point that the reform legislation does not in any way discourage contributions to political campaigns. By a system of tax credits, such contributions are, on the contrary, encouraged, and this is as it should be. No stigma should attach to the support of a political party or candidate by anyone in this country so long as the contribution is open and above-board.

● (1520)

The principle underlying our election expenses legislation is that the source of major financing of parties and candidates should be disclosed, not prevented. It is for all candidates for office and for all parties to decide what to accept and what not to accept within the law, and it does not seem to me that the responsibility differs as between candidates or parties. Presumably, most if not all of those who stand for office, at least of the principal parties, do so with the hope of being on the government side or even of being a member of the cabinet. Presumably, all parties are striving to become the party in office at some time, and even when that is not so I do not imagine that any candidate who stands for parliament without hope or ambition to become a minister will be more willing to accept a particular contribution for that reason.

As I have said, we have taken a giant step forward in the reform of the election laws. The task before us now is to make similar progress in establishing standards for the conduct of members of parliament who are safely elected. I turn, then, to the green paper and first of all I draw attention to a part of the green paper that is related directly to the question of elections. Let me refer to one specific proposal in the green paper. It is proposed that a candidate for membership in the House of Commons should be required, when nominated, to list with the Chief Electoral Officer the details of all financial interests and offices he holds which would be prohibited if he were a member. He would also be required to list all holdings and companies in which he holds more than 5 per cent of the issued shares, if they are public companies. Upon election, a new member would be required to divest himself of prohibited interests and offices as soon as possible or, in any event, within a year.

Certain fundamental, ethical and democratic principles underlie the specific proposals advanced in the green paper. First and foremost, our democratic system is based on the requirement that members of parliament and senators perform, and be seen to perform, their duties in a manner reflecting the highest possible degree of concern for the public interest. Similarly, it is basic that all members of the public should be assured of equal access to and impartial treatment by government officials at all times, and that the key advocacy rule of members of parliament and senators be governed by that principle. In accepting membership in either chamber, a member of parliament or a senator simultaneously accepts a code of conduct which is commensurate with his public responsibilities.

However, we must be careful not to develop rules respecting conflict of interest which turn the House of Commons and the Senate into the private preserves of only a few whose personal circumstances are such as to allow them to meet overly stringent standards. The very representativeness of these chambers might be adversely affected were we to decide to require their members to divest themselves of all financial assets or other private interests. It was these considerations which led the government to place before the House, in the green paper, various forms of rules including an independence of parliament act, orders of both chambers and retention of certain principles in the Criminal Code, and to suggest different means of dealing with conflicts, including strict avoidance in the clearest cases of impropriety and disclosure of interests where there is only a potential conflict. The specific proposals contained in the green paper concern those conflicts of interest that result from a member or senator having a personal pecuniary interest in a given matter that is sufficient to influence the exercise of his public duties or responsibilities.

My predecessor in office outlined the contents of this document in his statement to the House on July 17, 1973, which I commend to members of the present House. I would, therefore, only remind them of the basic concerns described in the green paper. The text addresses itself to four major areas of conflict of interest, namely bribery and prohibited fees, incompatible offices, government con-

tracts, and financial interests. The offence of bribery would remain in the Criminal Code, and a supplementary provision prohibiting the receipt of fees by members of both houses for the advocacy of personal, private or professional matters among members of parliament, senators or public servants, or before any government board or tribunal, is recommended. A Standing Order and rule for the House and Senate, respectively, are proposed to prohibit such fees.

Second, it is proposed that members and senators should be prohibited from holding nearly all federal or provincial offices, since to permit them to do so would constitute a conflict of interest, violate the supremacy of parliament or violate the concept of the division of power between federal and provincial jurisdiction.

Third, it is suggested that members of parliament and senators not be permitted, directly or indirectly, to participate in or derive benefits from government contracts. Reasonable and necessary exceptions are provided, but public disclosure would be required of members choosing to take advantage of the suggested exemptions.

In the fourth area, financial interests, disclosure is also required. To deal with possible conflicts in this area we are proposing resolutions from both houses to require members to disclose any special pecuniary interest which they may have in the subject matter of a debate or of a communication with ministers, other members or public servants. It is also recommended that a further resolution be adopted to require members of the House of Commons and of the Senate to exercise care in the management of their private investments so as not to benefit or appear to benefit from the use of confidential information. Sanctions are provided for violations. The respective chambers would, of course, police their own orders, while the Attorney General of Canada would be charged with the enforcement of the independence of parliament act.

Hon. members will recall that my predecessor in office emphasized the importance of the proposed role of a special committee that is advocated in the green paper. Let me quote from his statement appearing on page 5688 of *Hansard* for July 17, 1973:

> What I consider to be central to the success of the others is the recommendation that a standing committee of each House be designated and charged with a permanent reference to investigate all questions of conflict of interest, to provide members on request with advisory opinions and to advise the House on a regular basis of any changes which are needed in the rules governing conflict of interest. There will be a continuing need for observation and reform.
>
> These committees would also be empowered to grant dispensation of relief to any member from the application of certain provisions of the proposed act if it is thought that a particular provision would create undue personal hardship for the individual member or not be in the public interest.

This green paper is advanced as a possible framework for discussion of this most complex and difficult matter. It is, we believe, of the utmost importance that recommendations first be formulated which would govern the conduct of all members of both chambers. As the Prime Minister mentioned in his statement of July 18, 1973, to this House, the rules and laws applicable to members of parliament and senators will be the foundations upon which the special guidelines applicable to ministers of the Crown will rest. It is, therefore, all the more crucial that standards be developed for members of parliament as a starting point for the guidelines applicable to ministers and to public servants.

● (1530)

The government believes that the recommendations contained in the green paper represent a code of conduct which, if followed, would result in a standard of behaviour in which all Canadians could place their complete confidence. The proposals, however, do not attempt to canvass in detail or specific terms all possible unethical activities of members of parliament and of senators. In this, as in many areas of human conduct, rules may become less effective as they become specific.

In the final analysis, the spirit and the principles which underlie the rules we may adopt will be of paramount importance. We must not forget the fact that no rules, however wise and however just, will ensure the highest standards of conduct. The strength of our system of government will depend, as it always has, on the continued and wholehearted effort of each and every one of us to meet his responsibility to conduct himself in an honourable way.

Before concluding these remarks, Mr. Speaker, let me refer to the standards that are being applied to cabinet ministers and to public servants. The Prime Minister dealt with these matters in two statements to the House in the last parliament—on July 18, 1973, relating to ministers, and on December 18, 1973, relating to public servants and order in council appointees.

May I make a few general comments on the question of ministers and conflict of interest. As a Privy Councillor since April, 1963, I can testify that the guidelines now applying to cabinet ministers represent a considerable advance over anything required heretofore—

Mr. Stanfield: From your point of view.

Mr. Sharp: From the point of view of a cabinet minister who has served in other administrations. This is not so much in spirit, because we were always conscious of the particular responsibilities that were placed upon us, but in terms of specific action such as the creation of trusts. I say this because I heard one hon. member opposite say something to the effect that there has been no change. I can testify, as a cabinet minister—and can probably speak for all my colleagues who have been in cabinet as long as I have—that there has been a great improvement in the specificity of the guidelines as they apply to cabinet ministers.

What has been lacking, however, has been a foundation upon which to build these ministerial guidelines. I think it is fair to say that the cabinet has moved well ahead of parliament. We do not know yet what kind of standards the two Houses of Parliament wish to apply to their members, as members. The Prime Minister dealt with this point in his statement on July 18, 1973, when he said:

> ... ministers will be governed by whatever decisions parliament arrives at with regard to members of the House and senators. It is our belief that, by combining the requirements of law and of parliamentary resolution with the guidelines, a clear standard will be in place against which the conduct of members of the government can be measured ... Much of what I have outlined with regard to the conduct of ministers

has been the policy of the present government and that of my predecessor for several years . . . The rules . . . will be put in the form of precise guidelines just as soon as parliament has had an opportunity to consider the green paper with regard to members of parliament and senators and the legislation that might be made applicable to them. It is quite possible that the general views of parliament on matters of principle and the specific provisions that are judged necessary or desirable for parliamentarians should influence the final formulation of the guidelines.

For example, there has been some questioning in the House about the guidelines as they relate to the spouses of cabinet ministers. Quite a number of questions have come from the other side. There was one today. The conflict of interest guidelines applying to the prime minister and to ministers of the Crown apply to them in all of their financial dealings. They are expected to include any transactions with or transfers to their spouses. The prime minister and cabinet ministers are also expected not to divulge any confidential information to their spouses which they might use or appear to use to their personal financial benefit. Ministers are held accountable for any breach of these guidelines or of their spirit, as was mentioned in the statement of July 18, 1973, in which the first step of the government's policy regarding conflict of interest of ministers was announced.

This being the case, and having regard to the fact that a minister and his spouse are two separate human beings, it would be unjust to impose upon the spouses of ministers restrictions which would prevent them from assuming an independent role in the community if they saw fit to do so. Moreover, it is the firm belief of the government that no conflict of interest guidelines, however stringent, can be devised which would not put the onus squarely on the individuals to whom they are applicable.

The government would welcome the views of the standing committee and of parliament on this issue. The government will wish to know how the spouses of ordinary members of parliament are to be regarded where they may have financial interests of their own. Are these interests to be revealed if their spouses are involved in advocacy which would require them to disclose an interest? I put this question just to illustrate that members of parliament will have to face up to exactly the same problems, and I hope they will solve them in the same liberal spirit that we have.

Mr. Lambert (Edmonton West): No, they do not.

Mr. Baker (Grenville-Carleton): You don't really believe that.

Mr. Sharp: In conclusion, Mr. Speaker, I wish to emphasize once again the desire of the government to facilitate the work of the standing committee. I hope it can be said of this parliament that it established for its own membership standards of conduct second to none.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I think it is worth putting on the record at the outset that this debate is taking place today because the official opposition made an opposition day available for that purpose and has shamed the government into making a move. A short time ago I asked the government House leader whether the government was prepared to screw up its courage and put this matter of conflict of interest before the House and permit debate on the referral resolution on an opposition day. That day is now upon us, and not a moment too soon if one considers everything, aside from its courage, which the government has managed to screw up in the meantime. I regret—

Mr. Allmand: Mr. Speaker, could I ask the hon. Leader of the Opposition (Mr. Stanfield) a question?

An hon. Member: He hasn't started yet.

Mr. Allmand: The Leader of the Opposition has kindly agreed to answer the question. He has talked about tardiness in bringing forward these conflict of interest rules. I wonder if he could tell the House whether he ever introduced such conflict of interest rules in Nova Scotia when he was premier.

Mr. Wagner: Go back to the SIU, Warren.

Mr. Stanfield: As far as members of the legislature were concerned, I think the same kind of rules existed as exist here in the House of Commons. Really, the green paper does not propose any specific change of the existing situation. As far as members of the government were concerned, there were no published guidelines but there were clear understandings. I do not think there was ever an instance of a member of the government which I led being accused of involvement in a conflict of interest situation.

● (1540)

Mr. Allmand: You did not like that question?

Mr. Stanfield: It was a very good question, asking about something that happened ten years ago! The Solicitor General (Mr. Allmand) should bring himself up to date and realize that he has been put in an awkward position. I regret this, because I think he is an honest man and should never have been put into this awkward position. I regret to note that while the House is debating this question, five committees are sitting, preventing members opposite and on my side attending this House. They could not hear what the government House leader said and they will not listen to any pearls of wisdom which I and others may or may not drop in the course of this debate.

[*Translation*]

Later in the course of my remarks, I intend to submit to you a number of principles enunciated by the right hon. Lester B. Pearson some ten years ago. This will give you a fairly good idea of the inertia the government has demonstrated in this area. Information brought to our attention since the beginning of this session has demonstrated the extreme urgency of concrete measures. This urgency is all the more real since the government must now clear without delay some doubts which have been raised concerning the behaviour of some high government officials.

[*English*]

That urgency was missing as the minister presented the government's position. Today all we heard from the government House leader was a rehash of rhetoric to do with proposed guidelines. These, in the opinion of my colleagues, in my opinion and in the opinion of all whose opinions are known to me, are sadly inadequate. We also believe that the government is not proceeding in the right

way to implement guidelines. Certainly, the manner in which it is proceeding today is not adequate. It should aim first at setting adequate guidelines for those at the top. Heaven knows, that is where the urgency is.

Let us get this straight: when we talk about conflict of interest, we have in mind the public interest, not political interest and not institutional interest. We are thinking of the public interest as it applies to someone entrusted with safeguarding that interest. This is a much broader concept than national security, for example. It is a wide-ranging concern and goes to the very root of public confidence in our system, in our institutions, in our political process and in those who are in high positions of trust. It is within that meaning of conflict of interest that we make our case. We believe any narrower meaning is inappropriate.

In accepting this broad definition, one must recognize that there is no way of eliminating all possible conflicts of interest which may and do exist. For example, how can you eliminate the possible conflict of interest involving a minister and a friend, or a member of the House and a friend? I recognize that it is not possible to eliminate all possible conflicts of interest, but I contend that the definition of what is the public interest must be as broad as I have made it, if problems are to be faced and situations met in a way which will increase public confidence. I believe Canadians will be much more ready to accept that kind of judgment-call approach if they perceive that the call and the judgment are weighed against guidelines and rules and regulations which have more substance than those proposed so far in relation to cabinet ministers. These, surely, are not adequate to increase public confidence. I will come back to that in a moment.

[*Translation*]

In defining the policies, rules and procedures which will become law, we shall keep in mind that we are dealing with two groups of people whose influence differs according to the group involved. The first group, of course, is made up of the people sitting in Parliament. This group includes members of Parliament, cabinet ministers and parliamentary secretaries, as well as the Speaker of the House and his deputies.

[*English*]

The other non-elected group includes career public servants, those appointed to positions in the service. Although senators are appointed, I include them for this purpose as parliamentarians. The influence exerted by those in the appointed groups is tougher to define precisely; there is not that clear and unmistakable distinction which there is between ordinary members of parliament and cabinet ministers. However, there is within the public service group a clear distinction between those who have been appointed to deputy minister status, or the equivalent level, and those who are at a support level well below the level of deputy minister. Likewise, in ministers' offices there are senior staff, people who are appointed and are different and distinct from House of Commons support staff who are available to ministers and other members through the administration headed by Mr. Speaker.

In assessing levels of influence in the public service, there is a middle ground occupied by all those whose rank ranges from assistant deputy minister down to director which is analogous to the middle ground occupied in the elected group by parliamentary secretaries. I know, sir, that you have recognized this middle ground in this House in our proceedings, so I suggest to the government that achieving such definitions should not be beyond its ingenuity.

Across the broad spectrum there are two groups, members of parliament and those who are non-elected. Within both groups there are those who serve in special positions by appointment, and within both groups there are levels of seniority and influence. In my remarks today I do not intend to cover the waterfront—and there is no slur intended in using that expression. I will deal with the area of cabinet ministers. Before doing so, I wish to comment on the position of members of parliament who are not cabinet ministers and whose situation the green paper purports to cover.

The green paper deals with members of parliament; and I include senators, of course. As the government House leader pointed out, the green paper deals with corrupt practices, prohibited fees, incompatible offices, and government contracts. These are traditional areas in which there have been rules concerning conflict of interest and prohibited practices. The green paper perhaps goes a little further in some directions, but it does not break new ground in the area referred to.

There is also a provision in the green paper relating to members holding shares in companies which do business with the government. No member may be permitted to participate in the management or direction of a company which has a contract with the government, or an agreement. Members must list annually companies in which they are directors, officers or managers. Members, according to the proposed guidelines, may own up to 5 per cent of the shares of a company which has a government contract. However, a member's holdings may amount to less than 5 per cent in a public company which has a government contract. Unless one is involved in the management or direction of a company, how would one know, if one owns less than 5 per cent of it, that the company has a government contract?

● (1550)

I noted that the government House leader, when he was speaking about the Canada Elections Act, pointed out that the new legislation requires a candidate to disclose his interest—I think over 5 per cent of the shares in any public company—whether or not that company holds government contracts. But there is no provision in the green paper that any member of parliament who acquires a 5 per cent interest in a public company after becoming a member would have to disclose the fact. There is clearly no co-ordination between the disclosure provisions in the Canada Elections Act and the green paper.

As far as investments in companies are concerned, the specific provisions in the green paper are confined to instances where those companies have contracts or agreements with the government. There is nothing in the green paper relating to financial interest in a company which does not have a government contract, except the provision which has been understood for years, in a way, that a member is supposed to disclose his financial interest

before engaging in debate or making representations to a minister, for example. It does not go any further. For example, proposal 15 on page 34, which covers the situation, simply states:

> In any debate of the House or its committees or transactions or communications which a member may have with other members or senators or with ministers or servants of the Crown, he shall disclose any relevant pecuniary interest or benefit he may have when that interest or benefit is not shared in common with all other persons or particular groups in society.

That is all one finds in the green paper with regard to the financial interest of members of parliament, other than interest in a company which has a contract or agreement with the government. The committee will have to consider very earnestly whether the green paper will be satisfactory to the Canadian people in this respect.

The green paper basically follows what I understand to be the British approach rather than the United States practice of requiring disclosure. But how does a member of parliament live up to the provision that, before engaging in debate, he should declare his financial interest, if any? Does he stand up in a debate on the budget, for example, which may have something to do with corporate taxation and reel off a list of the shares he owns? Does he say, "I have three shares in Bell Canada, two shares in the Royal Bank of Canada," and so on down the line? Is this really a practical way of proceeding?

It would be very inelegant, to say the least, as far as debate is concerned. Some of my wealthier friends opposite might take half an hour to list their holdings before they could even begin to talk about the subject before them. As I say, I do not think it is a practical way in which to proceed and I doubt whether the government could have been very serious in putting it forward. The committee will have to be a little more serious about this subject than the government.

Personally, I have had to face this question since I came here as a member of parliament and Leader of the Opposition. The potentialities for conflict of interest are much more rife here than they are in a provincial legislature. For example, with respect to the question put to me by the Solicitor General, I found I confronted a potential conflict of interest on many questions before the House as long as I had any shares in a corporation of which I had knowledge. This was because so many questions come before the House affecting the value of investments. This is obvious in the case of companies which are regulated by the government or by an agency of the government. It applies also, of course, to any company which is subject to the tax laws of parliament with respect to which changes are proposed from time to time.

I am not suggesting that the stand appropriate to the Leader of the Opposition must apply to other members of the opposition. My responsibilities are, presumably, somewhat different from those of a member of the opposition who is not the Leader of the Opposition. But I, personally, came to the conclusion that there were only two options appropriate for me as Leader of the Opposition—either full disclosure of all investments held by me, my wife and my minor children, or a blind trust with respect to my holdings, my wife's holdings and anything owned by a minor child.

Some hon. Members: Hear, hear!

Mr. Stanfield: I decided in favour of a blind trust for a number of reasons, the most important of which was this: if my wife has some property, why must her privacy be invaded to the extent of her having to disclose what those holdings might be? And why should a young person be, perhaps, embarrassed to some extent by the public disclosure of information which really has nothing to do with any conflict of interest? So I opted in favour of a blind trust; and I must say to all hon. members that there are disadvantages involved in a blind trust. I get a report twice a year of the net value of the investments held for me by the trustee. In conditions such as we have experienced this year, I must say I am glad I have no knowledge of what the trustee is holding, because some of the things I held at the time of the transfer are, to put it mildly, less valuable today than they were when they were transferred. I am expecting a letter—I hope it does not come this December 31—in which the trustee will say something like this, "Mr. Stanfield, we have some good news for you and some bad news. We will give you the bad news first. The assets we hold for you are now worthless. The good news is that we can assure you that this happened without any conflict of interest being involved."

Some hon. Members: Oh, oh!

Mr. Stanfield: I do not suggest—and I repeat this—that my hon. friends should necessarily be subject to the standard appropriate for myself as Leader of the Opposition and, certainly, appropriate to members of the government. But we must recognize that potential conflicts of interest go beyond holding investments in companies which have contracts or agreements with the government. That is surely an old-fashioned approach to the question as to what constitutes a conflict of interest. The committee members must ask themselves how practical and effective an answer to this problem is proposal No. 15 in this green paper. The committee will have to strike a balance when it considers the question of conflict of interest for members of the House who do not hold office in the government or the responsibility that I assume I have. The committee will not wish to discourage unduly Canadians from seeking entry into parliament by causing candidates to pay too high a price for membership in this House.

● (1600)

How far the committee ought to travel toward the position taken by the New York *Times*, as quoted on page 5 of the green paper, is a question the committee will have to consider pretty carefully and, I suggest, with some caution. In an editorial on August 26, 1970, the New York *Times* had this to say:

> What is needed is an acceptance of the fact that election to the House or Senate . . .

This is in the United States.

> . . . like appointment to the cabinet, means often accepting a full-time job and a total commitment to public service. That means no directorships, no law practice, no outside business interests, and all investments put in trust until the individual returns to private life. Disclosure is not enough, divorce is the only answer. Until the line is clearly, irrevocably drawn, members of the House and Senate . . .

Again, this is in the United States.

. . . will not be where they ought to be—above suspicion of using public office for private enrichment.

That is a very high test indeed to which to subject all members of parliament, and members of the committee will have to consider very carefully how far along that road they wish to recommend that the ordinary member of parliament has to travel. That goal, however, is appropriate for a member of the government, and I also suggest it is appropriate for the Leader of the Opposition.

Whether or not the methods suggested in that editorial necessarily achieve that goal is not the question. Members of the committee and other members of parliament will wish to discuss carefully and conscientiously how we establish the necessary public confidence regarding conflicts of interest or, more properly, the elimination of conflicts of interest, without unduly discouraging Canadians from seeking membership in this House. There will be substantial differences of opinion in the country and in this House on the question of how far down the road to the New York *Times*' position members of parliament ought to be obliged or be required to travel. Therefore, there will be substantial and, I suspect, protracted debate in committee, and ultimately again in the House, on this particular question.

The simplest area to tidy up—an area that can be tidied up quickly—and an area that most urgently requires tidying up is the position of those at the top regarding conflict of interest, that is, cabinet ministers. It is absurd that this committee, according to this reference, is required to consider and report on the position of members of parliament before considering and making recommendations on the position of cabinet ministers.

In preparing the reference in this way, the government is simply indulging in games. It is putting the resolution before the House in such manner as is designed to bury the question of conflict of interest for members of the government for many months until what I suspect will be quite a long discussion of the conflict of interest of ordinary members has been terminated and reported upon. Ministers must, because of their responsibility, avoid conflicts of interest, and be seen to avoid conflicts of interest. This is urgent.

In the rules or guidelines that have been given us by the Prime Minister (Mr. Trudeau) to date there is not enough recognition of the fact that the higher the position, the higher the standard that must be demanded. On the contrary, as far as ministers are concerned, the government has demonstrated in recent weeks quite an opposite approach. We heard the government House leader, for example, the other day and again today, on the question of campaign donations, suggesting that a minister of the Crown should be under no different guidelines regarding contributions and, presumably, gifts than an ordinary member of parliament. The government has shown that it considers itself, as far as the cabinet is concerned, to be a kind of nobility, above reproach and therefore beyond criticism, by its own decree.

What would have happened to someone, say, at the assistant deputy minister level in the Department of National Health and Welfare who might have taken a privately-owned jet on a visit to a foreign country on what he claimed to be official business? What would have been the assessment of a senior public servant who did that, or something like it? For someone in the self-decreed, high quarter of the cabinet it is not a serious matter. Is that not rather a pitiable double standard? Is it not rather incredible that these people in the government continue to say, or at least continue to say that they think this kind of thing really does not involve a really serious conflict of interest?

I do not think that is acceptable. Members who sit with me on this side of the House do not think it is acceptable, and I believe a lot of members on the other side of the House do not think it is acceptable. Indeed, there are not many people around who would think it is acceptable. Yet this Prime Minister and his cabinet stubbornly insist it is not serious, and they are really suggesting that they will continue to do pretty well what they please. That, sir, is really what this debate today is all about.

Surely, standards of conduct must be set for the ministry before we can expect any renewal of public confidence in the system and before anybody can expect the application of standards to anybody else outside the ministry. When I talk of the ministry in this way, I mean it in broad terms, in terms of the high office group as a whole. In that group are the ministers themselves, who should set an example of excellence in their own conduct.

Ground rules for this entire high level group should be dealt with as a matter of first priority in tackling the whole area of conflict of interest. You just cannot take the attitude which the Prime Minister seems to take of, "Oh, well, as far as members of the cabinet are concerned, they are all okay or I would have not let them in the cabinet in the first place. So we will leave off worrying about them until everybody else is taken care of". Ministers and others in this ministry level group of appointees should receive first consideration when approaching a clean-up of conflict of interest problems. I hope that we can persuade this government of this today.

I hope we can yet persuade the government that what it proposes by way of a so-called frozen trust which is permissible for the Prime Minister and members of the government is not of any consequence unless accompanied by disclosure. I fail to understand how a frozen trust as such, of which the minister concerned or the Prime Minister knows the content, constitutes any protection against conflict of interest. I say there has to be either disclosure or a completely blind trust. As I said earlier when speaking of myself, I have come to the conclusion that there is no alternative because almost weekly cases of conflict of interest would arise for me in this House when discussing matters if I had knowledge of anything I owned, that my wife owned or my minor children owned. The frozen trust is a lot of nonsense. I hope we can achieve some recognition that the spouses and minor children of cabinet ministers must be included in the guidelines which cover broad holdings.

● (1610)

The President of the Privy Council (Mr. Sharp) brags that the government's guidelines are the best in the world. I do not think he has looked very far outside Ottawa when he says that. The Ontario government, for example, uses a

family basis for holdings of cabinet ministers; a family consists of a minister's spouse and his minor children.

The Prime Minister has made some suggestion about the sanctity of the individual—the government House leader did so again this afternoon—and the desirability of enabling a spouse to pursue an independent career. I have to say quite bluntly that this is dignifying the loophole. I want to see as little interference as possible with the life, opportunity and anything else of the spouse of a minister; but I say very emphatically that total exemption or ruling out of any consideration of what may be held by a spouse or minor children really makes conflict of interest, when applied to the property of a minister, a farce.

The government House leader said today, for example, that transfers from a minister to a spouse would have to be disclosed; they would come within the conflict of interest rules and guidelines. But supposing there is a transfer of something that is completely innocuous—say cash? What is to prevent a conflict of interest situation arising subsequently, depending upon the manner in which the spouse invests that money and the knowledge of the minister as to how it is invested? By all means let the committee try to leave as much freedom for the spouse as possible, in terms of a career, but let us not make a complete farce of the conflict of interest rules being applied to ministers by eliminating the spouse and minor children completely from any consideration.

Then there is the question of gifts to ministers. There appear to be no guidelines at all with regard to gifts. What about forgivable loans and loans in general to ministers? These should be covered in a very strict way that is spelled out publicly. There can be just as much a conflict of interest involved in a loan situation as in connection wih ownership and, again, this situation should be covered in relation to the spouses and minor children of ministers.

I understand that the last time I spoke in this House about a particular gift—that was some weeks ago—the Prime Minister took it as a below the belt, personal attack. I am sorry the Prime Minister is not here today, but through you, sir, I assure him sincerely—as I attempted to do when I commented on it—that I was not attributing motives or suggesting anything remotely sinister in that particular case. I am not dealing in innuendo or smear when I say as strongly as I can that I believe this to be, in principle, an inappropriate practice, and I am obliged, because of the position I hold in this House, to draw this to the Prime Minister's attention.

Some hon. Members: Hear, hear!

Mr. Stanfield: Recent events in the House, that we might refer to as the SIU matter, have created further instances of emotional distress and ill-feeling which can only serve to cloud the issue. The issue should be clear. It should also be clear, and it is vital that it be clear to the public, that the government is prepared to respond to the issue in a way which is not open to misunderstanding, suggestion, doubt and suspicion.

There is another group which I wish to touch on very briefly. I refer to senior staff people in ministers' offices. This group becomes of greater and greater concern as the government makes more and more senior staff appointments and deputy minister appointments under what seems to be a concept of interchangeability. Obviously, the principle should be that the same standards which apply to cabinet ministers should apply to ministerial senior staff appointees and to deputy ministers and other high level appointees.

This principle was clearly and emphatically discussed in a letter dated November 30, 1964, by the then prime minister, the Right Hon. Lester B. Pearson. I am not going into the background of that letter, but apparently some senior staff in the ministry had been up to strange things, or were alleged to have been, and the government was in a large vat of hot water as a result. Mr. Pearson wrote to his cabinet colleagues, in part:

> There are several things that should be stressed. The central one is that a minister's staff must be subject to exactly the same high code of conduct that is recognized for ministers themselves.
>
> It is by no means sufficient for a person in the office of a minister—or in any other position of responsibility in the public service—to act within the law. That goes without saying. Much more is required. There is an obligation not simply to observe the law but to act in a manner so scrupulous that it will bear the closest public scrutiny.

There is an interesting similarity of language, parts of it verbatim, in what the present Prime Minister said on December 18, 1973, when he made his statement to the House on guidelines for public servants and order in council appointees. As recorded in *Hansard* at page 8837, the Prime Minister said:

> Central to our policy is the principle that it is not sufficient for a public servant merely to act within the law. We believe that there is an obligation to act in a manner so scrupulous that it will bear the closest scrutiny.

So we see the phrase "there is an obligation to act in a manner so scrupulous that it will bear the closest scrutiny" used word for word by two different prime ministers almost ten years apart. The significant difference is that one prime minister in 1964 said that this worthy principle should apply equally to ministers, their staff and others in positions of responsibility within the public service, whereas the present Prime Minister in 1973 talked about this strict principle only in relation to the public servant and not to a member of the government. It is a not very subtle change in emphasis over the years between the approaches of the two right hon. gentlemen to conflict of interest.

In the wake of the present government's approach to senior appointments a corollary problem has become evident. Some long service, senior public servants are apparently displeased with the approach and are simply leaving the service because there does not seem to be room at the very top for other than the government's political friends. These very capable public service people are going into the private sector, as we call it. I presume that in many cases they will go into jobs in the same fields that they dealt with in the government service.

What guidelines are given to them on leaving the public service? Is there a system, or a set of rules, or is each person who leaves the public service from these high levels left largely to the dictates of his conscience to interpret the demands of the oath widely or narrowly? Surely it is a second element of unfairness to these people who have given years of service to have a situation so loose that they can feel placed under a cloud if they decide to take a particular job when they leave the service. The

government owes it to them to publish guidelines to cover this situation.

● (1620)

There is still, also, no clarity in relation to top-level businessmen who move in and out of the public service on exchange programs and senior public servants performing a reciprocal exercise. There is no excuse for this whole area to be left loose any longer. The government is not doing anyone a favour by diddling along on the assumption of some never-defined honour system. The government would not insult anyone by establishing and publishing guidelines for conduct at the most senior levels as its first priority. As it is, no one is protected; anyone could be suspect in a given situation. The onus is on the government to change that situation.

We do not live and work in times when the public feels really confident about any so-called honour system which is supposed to be operating in politics and in high levels of government. Why encourage further erosion of that confidence, when the appearance of proper guidelines could start to turn things around and help to restore some confidence? Public confidence is a precious commodity, almost as precious as democracy itself, because without it the democratic system just cannot work. To encourage it requires firm action and proper priorities. Therefore, in keeping with that belief I move, seconded by the hon. member for Saint-Hyacinthe (Mr. Wagner):

That paragraph 2 of the motion be deleted and the following substituted:

"That the committee be authorized to report on the aforementioned green paper after first considering and making recommendations on the subject matter of ministers and conflict of interest and public servants and conflict of interest".

Some hon. Members: Hear, hear!

Mr. Drury: Mr. Speaker, would the hon. gentleman permit a question?

Mr. Stanfield: Certainly.

Mr. Drury: I listened with great interest to the thoughtful, and what I might call unemotional approach of the Leader of the Opposition (Mr. Stanfield), but I was a little confused—I think the confusion is fairly prevalent in the public mind—by his frequent use of the term "conflict of interest" which covers a wide range of things. Parliament itself is a conflict of interest, and the way to get rid of that is to abolish the institution. I think I should point out that we live with conflicts of interest. The hon. member did, however, use what appeared to me to be a rather more significant approach than "conflict of interest," which was the avoidance of the use of public office for private enrichment. Would he agree that basically what he meant by conflict of interest was the offence of using public office for private enrichment?

Mr. Stanfield: No, Mr. Speaker. I think the definition given by the minister involves a very substantial part of the concept of conflict of interest, but I would not agree that it covers the whole concept of conflict of interest. I would just like to add that, even taking the definition the minister has given, the rules laid down by the Prime Minister are just as deficient as they would be if a somewhat broader concept of conflict of interest were involved.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in listening to the minister introduce his motion in the House this afternoon I was reminded of the old chestnut about shutting the barn door after the horse has gone. The more the minister spoke, and the more one looks at the government's proposals, the more obvious it is that the correct use of that analogy, with reference to the minister's speech, would be that he only gets the barn door partly shut, perhaps half shut or a third shut, after the horse has gone.

Unfortunately, the minister seems to be under the illusion that he has produced the whole product. The proposals brought forward finally by the government to deal with the very serious subject of conflict of interest are completely inadequate. First, the emphasis by the government is entirely wrong. In this we agree entirely with the Leader of the Official Opposition (Mr. Stanfield) with respect to the amendment he has just moved, and we will support it. Instead of beginning where the problem is most serious, with the cabinet, the government starts out with a green paper on proposals for members of parliament in general who have little or no power, as everyone knows. That in fact is referred to in the green paper itself. The real power in this government, as is the case with all modern governments, is with the cabinet and senior civil servants.

So there is a diversionary tactic on the part of the government, as was mentioned by the Leader of the Opposition, in getting us to focus on supposed or real conflicts of interest with respect to ordinary members. Instead of presenting the House with proposals or regulations which have teeth, the government has given us—I say this with care—mere cosmetics, a situation which in my view makes matters worse because it leaves the impression that a bad situation is being remedied, when in fact it is not.

Before discussing the three areas—members of parliament, cabinet ministers and senior public servants—in a detailed way, and what the reaction of the New Democratic Party is to each set of proposals for these different areas of responsibility, I want to indicate why it is a serious question that is before us, namely, conflict of interest. I think it is no accident that this problem has become more apparent in recent years not only in Canada but abroad in Great Britain, the United States and other countries. It has not always been seen as a major problem. First of all, there is the growth in government as a customer of business. Many government departments are major spenders in the economy: in fact, governments collectively represent the major spenders in the economy today.

The Department of National Defence, the Department of the Environment, the Department of Energy, Mines and Resources—you name them—at the federal level have a major input into the private economy. Second, there is the pervasiveness of regulatory, financially-supportive provisions related to promotional programs for the private sector. We have tariff and taxation laws and regulations, and major discretionary powers with the Minister of National Revenue effecting decisions as to whether to collect or not to collect taxes from certain corporations or individuals. The government makes DREE grants and pro-

vides a series of financial incentives to industry. But the precise implementation of these laws is left in the hands of the minister.

● (1630)

Third, there is increasing mobility between the private sector and government where we have ministers leaving their positions in the cabinet to go to very important and powerful positions in the private sector, frequently with firms operating in the sector of the economy for which, as ministers, they had direct legislative and administrative responsibilities. I submit that these three points are relatively recent in their growth and significance, which makes it much more apparent that we need tough regulations pertaining to conflict of interest.

I want to get back to three areas of concern, first of all the green paper to which the motion moved by the minister refers. What do we get, in the green paper, proposals for ordinary members of parliament? In the main, it proposes a codification of existing laws and practices with respect to corrupt practices and prohibited fees, incompatible offices, participation in government contracts and financial interests. I repeat, it is essentially a codification of practices that have been around for many years. There is no great innovation in the green paper. The minister was patting himself a little too much on the back when he rose in the House today and presented this document as a significant innovation. All it does is to bring together practices that have been going on for many years in the House of Commons and in the Senate.

There are a few innovations. What are they? I want to mention them before going on to raise objections about them. The first one concerns prohibited fees. By way of additions to the Standing Orders and rules, members of parliament would be prohibited from receiving a fee or reward for intervening, on behalf of constituents or members of the public, before government boards or tribunals, public servants or fellow members of parliament. Second, incompatible offices: by a new legislative provision, the holding of nearly all federal and provincial offices would be incompatible with membership in the House of Commons or the Senate even if there is no salary attached to these offices. Third, participation in government contracts: the proposed legislation would, in general, prohibit a member of parliament from participating in or deriving any benefit, directly or indirectly, from government contracts. These are the innovations which I suggest are not very significant.

What can be said in a negative way but with positive implications about the proposals even for members of parliament and even if we agree that we are beginning at the wrong end of the power structure by beginning with members of parliament? First of all, the annual disclosure of directorships and financial holdings should be comprehensive and routine for all members of parliament. It should not be restricted to the general area of government contracts, as is the proposal in the green paper. In other words, all members of parliament should have to declare their financial holdings. I think that should become a matter of routine. It is not without some direct benefit at times when we vote on legislation concerning corporate taxation, for example; or, indeed, if we vote for a variety of legislation outside the tax field that can give particular benefits to members of parliament. I think the public has a right to know the holdings of all MPs quite independent of holdings in companies that may have contracts with the federal government.

Second, the prohibition against participation in government contracts should be tightened up. It is much too loose. The 5 per cent threshold in particular is a serious loophole, in our view. Five per cent of the shares would often represent a significant holding, sometimes a controlling interest, in a public corporation. I think, for example that if someone held 5 per cent of the shares of Bell Telephone it would probably give them controlling interest. So the 5 per cent threshold is a meaningless threshold; it is much too high; it is open to too much abuse and requires tightening up.

Third, the committee charged with supervision of the rules, that is, the Standing Committee on Privileges and Elections, should have the authority to investigate conflicts of interest involving cabinet ministers. This authority is expressly denied in the green paper, where it is said that the committee will not have the right to investigate alleged or potential conflicts of interest of cabinet ministers. I think that by giving a committee of the House on which backbench members from all parties are members, authority to look into alleged cases of conflict of interest we would be doing a great service to those who are concerned, including ministers of the Crown, on the question of conflict of interest.

The recent dispute, for example, concerning the SIU could have been referred to this committee with the request that it consider the matter with dispatch and report back to the House. It seems to me that a committee representing all parties in the House is the appropriate body, initially at least, to look into charges of conflict of interest involving ministers of the Crown. These are three specific proposals that seem to us in this party to make sense, and we hope that when the committee gets the green paper it will consider them with great seriousness.

Now I would like to say something about guidelines for cabinet ministers. The guidelines which we have are the product of two statements made by the Prime Minister (Mr. Trudeau), one on July 18, 1973, and the other on December 18 of the same year. To go back to my earlier point, these must be looked at with even greater care than the regulations or guidelines pertaining to members of parliament. I repeat the point: the power, in our form of government, really resides with the cabinet and that means the potential for abuse resides, in terms of substance, with the cabinet. So the guidelines and regulations dealing with conflict of interest have to be much more stringent for cabinet ministers than for members of parliament, and anyone who suggests the contrary simply does not know what he is talking about. The green paper itself, I remind the minister, refers to this point in the following words:

> It must be acknowledged that the opportunity for an individual member of parliament, other than a minister, to alter substantially the course and content of public policies, is limited.

What are the guidelines that the Prime Minister has set down vis-à-vis the holdings of cabinet ministers? There are three choices. They can put their holdings in a blind trust, a frozen trust, or—this is the third variable that was

added in December of last year—in terms of real property they can have it registered and therefore made known to the public. What is wrong with this? I said at the outset that the proposals really lack substance; they are totally defective. Why? First, there is too much discretion left in the hands of ministers and the Prime Minister himself. We need tough regulations pertaining to the cabinet, and not so many discretionary decisions left with ministers of the Crown or the Prime Minister.

The statement I have referred to is full of references to the discretionary authority of the minister. Surely, in part that is what the need for conflict of interest regulations is all about, namely, to get away from the discretionary realm in this subject. Tough regulations would protect the minister's good name as much as they would protect the public. We need more legislative control, with less authority left to ministers.

● (1640)

Second, Mr. Speaker, we need more complete public disclosure requirements. For example, the public should be told of the directorships that a minister resigns when he becomes a minister of the Crown. It is important to know what his previous connections were in order to know what his orientation or biases are likely to be. The public has a right to know what goes into both the blind trust and the frozen trust, for the reasons that the Leader of the Opposition indicated in the House today and for the reasons that members of my party and social scientists independent of any party have been enunciating. It is not enough simply for these trusts to be set up. The green paper does not deal with this issue at all, but is simply a cosmetic measure that leaves the impression something is being done when it is not.

Third, the exclusion of spouses and dependent children totally negates the intended result. It seems to me to be a basically misleading notion of equality of the sexes to exempt spouses from disclosure provisions applied to their husbands or wives who are cabinet members. Unless you assume, as is apparently the view of the Department of National Revenue on another matter, that the husband and wife will be divorced and the relationship is a temporal, non-significant one, such a position is contrary to human reality. The family unit should be regarded as just that in regulations dealing with conflict of interest, but the government has totally ignored that basic human and economic fact by exempting spouses from guideline regulations.

Fourth, Mr. Speaker, there are no guidelines for persons leaving the cabinet. If a minister decides to return to private life, normally he goes back to an occupation similar to the work he was doing in government. When the former minister of industry, trade and commerce, the Hon. Jean-Luc Pepin, left the cabinet he went to a firm where his responsibilities would be similar to those he was exercising as a minister of the Crown. Indeed, he carried with him studies and knowledge that were directly applicable to his new line of work. I want to stress that I do not imply any criticism of Mr. Pepin in that circumstance. His is one of a number of cases that could be cited.

Our party does not have an easy answer to this problem, but I hope the committee will spend some time on it and perhaps come up with a regulation that would govern ministers and senior civil servants going into the private sector. We know that a deputy minister is leaving the Department of the Environment and going into a line of work very similar to what he was doing for the government. That kind of move at the top level, where there is potential gain for the firm he is going to work for, derived from his experience in government, is unquestionably an area of potential conflict of interest and should be considered. Whether appropriate regulations can be laid down in a free society is another question. This matter was looked at by a federal government commission headed by Professor Williams and completed in 1969, and it should be considered when the green paper is before the committee.

Finally, Mr. Speaker, I want to turn to the matter of guidelines for the public service. These were laid down by an order in council issued on December 18, 1973. There are more defects in those provisions than in these pertaining to cabinet ministers and members of parliament. I would just enumerate them. First, there is no provision covering spouses and dependent children. Second, there is no requirement for public disclosure. Third, too much discretion is vested in the public servant. The onus is on him to disclose to the minister those matters which he believes are in actual or potential conflict.

Fourth, there is no distinction between senior public servants in policy-making positions and those in lower categories. Fifth, there is no provision in respect of ministerial staff. We have talked about civil servants, members of parliament and the cabinet, but what about ministerial staff? They have access to important information which puts them as much in danger of potential conflict of interest as the other groups to which I have referred. Finally, Mr. Speaker, there is no reference in those guidelines to the process of moving back and forth between government and the private sector.

The guidelines in the order in council issued last December are even worse than the proposals and guidelines pertaining to the cabinet and members of this House. The steps the government has taken so far on the question of conflict of interest are totally inadequate. The only good result of government action to date is that for the first time in the history of the Canadian parliament, to my knowledge, a committee of the House will be looking into the issue. It is the hope of the New Democratic Party that members of that committee will come forth with proposals of greater substance than those presented by the government.

● (1650)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I think the amendment put forward by the hon. leader of the opposition (Mr. Stanfield) is quite sensible. It purports to delete paragraph (2) of the motion and substituting the following therefor:

> That the committee be authorized to report on the aforementioned Green Paper after first considering and making recommendations on the subject matter of Ministers and conflict of interest and Public Servants and conflict of interest.

We have been hearing for a week about conflicts of interest involving members of Parliament, ministers and senior

civil servants. I was in the Federal Republic of Germany last week, and I heard about them even there. They were talking about conflicts of interest, and saying that people from the SIU had supplied the Minister of Labour (Mr. Munro) with $500, that Progressive Conservative members and even New Democratic members had also received some moneys, and fortunately, Mr. Speaker, none of them could say that the Social Credit Party of Canada had also received moneys because none of them made any contribution. We were too small and they turn to big parties. I am talking about the SIU.

Let us have a look at what is going on in the province of Quebec. People from the QFL supplied some federal ministers, provincial ministers and federal members of Parliament from Montreal with certain amounts of money. They supplied them not only with moneys but also with bullies to win the elections and they are the very people from the QFL in Montreal who yell their heads off that they are going to break up the system. And yet they help financially sustain the system. I find this a terrible situation. And to think that my good friends from the New Democratic Party are very much against those conflicts when they get a percentage of contributions from all international unions which collect them from their members within Canada. Even my good friends from the Social Credit in Montreal are members of a union out of fear and are obliged to pay a certain percentage of their contributions to the New Democratic Party. They do not brag about it in this House. But that is true. Facts will be facts. Mr. Speaker, there are certainly some conflicts involved. There are not only conflicts of interest in respect of individuals, but there are conflicts of interest for groups. When I think about the QFL in Montreal, I always see the face of fat Laberge. He is the guy who wants to break the system. He did break it in James Bay. We see this in the Cliche investigation commission. This gives us obvious proof that bosses, the government and the union leaders unite to crush the worker. If the worker objects, he is told his legs will be broken by a goon squad led by Dédé Desjardins or someone else. Mr. Speaker, this situation has existed for many years. In the early 1960s, Mr. Hal Banks was put in prison. He was released on a bail of $25,000. When the time came for him to report back, he escaped to the United States. We were told: We do not have any right to extradite him. I am convinced that Liberal ministers had a part in allowing Banks to escape to the United States so that he would not be caught afterwards.

The ministers then told us: It is impossible to find him. A Toronto reporter went to New York and sat on the deck of a boat in the harbour with Hal Banks. He spent the afternoon with him smoking a cigar and drinking scotch or whiskey. Mr. Speaker, Hal Banks is still over there and has never been brought back to Canada.

For many years, incidents of this kind have been numerous. This is why I ask myself what will the green paper change? Standing Order 11 of our rules states that No Member is entitled to vote upon any question in which he has a direct pecuniary interest, and the vote of any member so interested will be disallowed.

In my opinion, not many members would vote if we made a careful scrutiny of the interests of all members of Parliament because every one of them tries to find some benefits outside the House.

I am a businessman and I do not have the right to sell a car to the government. But if I wanted to do so, what would stop me for instance from saying to another Chrysler dealer: You should submit a tender to the government, and if you get it, you can pay me back for the favour I did you.

Mr. Speaker, this example concerns the automotive industry, but the same thing now happens for building companies. That is fairly current practice in many fields. Union leaders do so freely, but not their members. The latter know absolutely nothing about the practice, but their top leaders, those who carry a lot of weight, some governments organizers and political party organizers do so. I am happy to know—though the newspapers forgot to mention it—that our party had nothing to do with contributions from the SIU or any other seafarers' union, the QFL or the CNTU. We are not mixed up with them. The journalists forgot to mention that. The three main parties are mentioned. The NDP have four more members than we have, but they are more important than we are. That only exists in the heads of the journalists.

Speaking of them, they know something about conflicts of interest. I have seen an hon. member make the most insignificant speech ever in this House. I would never have mentioned it in a newspaper. But, on leaving the House, if someone slips a $20 bill in some reporter's pocket and asks him to publish it, the next day we see the member's picture on the front page and speech is published. That is conflict of interest again. But the reporters do not brag about that.

I know we are often forgotten. There is no time to talk about us. The same goes for the CBC. People spend their time giving tips right and left to get coverage. As for me, they will "uncover" me before I act that way. But this is something I have seen first hand.

Mr. Speaker, what will the green paper prevent?

● (1700)

The leader of the NDP recommended earlier that ministers who had left their ministerial or government office be followed or not be authorized to continue to work in the same line. Mr. Speaker, that is a hoax. I think this is discussing to say absolutely nothing. If a minister who is a company director is forced to resign arrangements are made so that he may still remain a director.

Even if three dozen green papers were introduced what would it change? The same thing would happen again. The human being will always remain a human being. The Leader of the Opposition (Mr. Stanfield) was quite clear earlier on that. We will not stop the human being from being human because he is a minister, a party leader or the hon. member for Timiskaming. Honesty is a matter of education. To be elected to this House a man must first be honest with his voters and, if he is, he will not join with other organizations to crush his constituents and take advantage of the situation.

Mr. Speaker, before being appointed a minister, a man, whether it be Jean-Luc Pépin or a deputy minister, who receives a salary of $35,000, $40,000 or $45,000 a year and

gets an offer of $75,000 a year in the same line of work from a private business, are we going to blame him for accepting the position giving him $30,000 or $40,000 more a year? That seems normal to me. Let us not be that stupid and say: once you have been a minister, go and hide in the forest, and run away so no one will see you.

It seems to me that on that point one should use common sense in the same way as before being appointed a minister. However, let us set up standards, laws or regulations so that a minister will not be the prey of profiteers or large companies and become their stooge or puppet.

A minister of the Crown must be secure from any suspicion, as must be his officials and any other public servant. In today's *Le Devoir*, I think, there has been such a public servant unmasked in Quebec. It is very common in Quebec, we see that every day. Has Labour Minister Cournoyer been duped by a member of his staff, a man by the name of Morin? He is surely not a relative of the hon. member for Louis-Hébert (Mrs. Morin), but he is perhaps a relative of a member of the Parti Québécois, though. Apparently, according to calculation we made earlier, that man gets $55,000 a year, including his $23,000 salary. And he would get that for duping the minister, and without his paying any income tax! Mr. Speaker, those are conflicts of interest which should absolutely not be tolerated. We fully agree on that, we must take steps to prevent it.

As I was saying a moment ago, our financial system does nothing else but promote conflicts of interest. When anyone sponsors a bill in the Senate, does he not receive the visit of two or three company directors who come asking for his help for the passage of their bill. The Liberals receive such visitors all day long, and so do the Progressive Conservatives, the NDP and also the Social Crediters. If it is not Simpsons-Sears Limited, for an insurance company, it is Eaton's for another company. All companies act in this manner. Shall we refuse to help someone who is asking us for help? No, but let us not allow them to play tricks on us though. We are here to represent the people, and not the private interests of a group, a finance company or any other organization or union. I believe the most serious error made in Canada was to make the Rand formula compulsory. Very often workers are forced to pay dues to unions of which they are not members. We are told 30 per cent of the Canadian population is unionized. While 70 per cent are non-unionized, if half of the unionized 30 per cent are forced not only to join in and pay real dues, but on top of that contribute to NDP election funds, that is the end of it. And that group speaks on behalf of the unionized 30 per cent of the Canadian people.

I believe if we are to have adequate unions, if we are to prevent union representatives from running after us or trying to finance us under the table, we should tell them: Look after your own members, do your own recruiting and collecting, that is your job. They might then have less time to think of new strikes, overstrikes, support strikes, counterstrikes and every other kind of strike. They would have work to do, getting their own members, convincing them to join the union instead of forcing them to, as they would and actually do. We would then have healthy unions, respected membership, and member pride in their union.

[Mr. Caouette (Témiscamingue).]

As I have already said, Mr. Speaker, the little ones, the uninfluential ones get very little attention. This is also true in this House. We have here newspapermen, CBC people. You have to give a tip to have reaction, to get results or to go on the air, and especially with the three political parties. But as one might expect, this is the group that would change the system.

This morning, in my office, I had my television set on for an hour. What was there to see? The René Lévesque story? All the time Parizeau, René Lévesque, the whole collection of separatists with a couple of journalists. There appeared Gérald Godin, formerly of Quebec-Presse, a defunct lowly paper in Quebec City that used to preach revolution, inviting everyone to revolt and have bloodshed. That was Radio-Canada's broadcast this morning at eleven o'clock.

Mr. Speaker, there are means of stopping this, but none still of stopping human beings from being human. We in Canada let those people say whatever they like. One of them was in France recently and he realized that there is less freedom in France than in Canada and the province of Quebec, really.

Let newspapermen go and write in France what they publish here in the province of Quebec and they will be behind bars before long. It was forbidden to write anything against de Gaulle when he was President of France. Even caricatures of him were strictly forbidden.

Here in Quebec, Ontario and the rest of the country, anyone is free to caricature us. We laugh because we know from whom the cartoons come from.

Mr. Speaker, the green paper will not prevent ministers from being ministers, members of parliament from being members of parliament and human beings from being human beings. To have regulations is a good thing; some will nonetheless evade them.

One day, when the Minister of Transport personally wrote to every large company in Canada asking them to replenish the election fund of the Liberal party, he was caught. What was that? He was begging the large companies to come and help them. We must recognize it, it was a kind of conflict of interest, not for him personally but for the party.

The Progressive Conservatives have done the same thing. We also write to people to get financial assistance. The NDP does not have to write so much, because it acts in collusion—not collision—with union leaders so they get money no matter what.

As for the green paper, we agree that we are going to consider it, but we are going to vote for the amendment put forward by the Leader of the Opposition to the effect that the parliamentary committee should be authorized to report on the green paper to learn its meaning and to make proper recommendations enabling us to do the necessary cleaning and prevent abuses noted in the past. This is why, Mr. Speaker, we support the motion introduced by the Leader of the Official Opposition.

● (1710)

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, I would blame myself for not making any comments—although they will be off the cuff—on the

absolutely foolish remarks I just heard in this House. Even in this House, what are we not forced to hear when this Parliament is supposed to set the pace and to direct the nation in the way of progress. The Leader of the Opposition (Mr. Stanfield), in his interpretation and application of conflict of interest with regard to ministers or members of parliament, expresses a concept absolutely obsolete and even reactionary of society and women in society, a concept by which two persons, because they are married together, are tied up as if they were not two separate entities with their own freedom.

This concept, Mr. Speaker, does not take into account the new dimension of the role of today's women and their desire to enjoy all the rights of a citizen. I think we could reasonably acknowledge the right of women to follow their career until their complete fulfilment. If we acknowledge this right of a woman, we should do the same for her spouse. So, Mr. Speaker, one person should not be held responsible for the other. Two married persons have their own identity and they must have the opportunity to pursue their own activities.

Do the hon. Leader of the Opposition and even the Leader of the New Democratic Party think that women are not full-fledged citizens and that they cannot have an activity as such? If a woman happens to be appointed minister of the Crown, do they think that her husband should be penalized and inhibited in his own career? This is the conclusion one comes to on the basis of the interpretation given by the hon. members to the concept of conflict of interest. According to the proposed legislation, the minister will have to declare his holdings. I entirely agree that a minister should not have interests which might lead to conflict in his high office but it does not mean that we should impose the same obligation to his spouse.

Is not a woman, if married, free to carry out any sort of business transactions, even without her husband knowing it? Why should a minister of the Crown not assume her responsibilities in such a way as not to involve her husband in her activities?

For instance, should a woman whose husband is a member of parliament be excluded from the public service either at the provincial or federal level of government?

Times have changed, Mr. Speaker, and women must be allowed to take up careers. I fully agree, Mr. Speaker, that it is not possible to regulate everything, and this green paper certainly tries to establish rules for those who assume public office.

But it is not possible, as the Leader of the Opposition will have it, to assimilate a wife to her husband or even to her under age children. And this is why, Mr. Speaker, I am surprised by the remarks I hear in this House. The Leader of the Opposition keeps referring us to the Napoleonic Code which has been amended so many times already. I am also surprised to see the hon. member for Kingston and the Islands (Miss MacDonald) agree that members of her party assimilate the conflict of interests to the choice of a person to take up a career. If I were she, I should be ashamed to sit in the House with people and with a leader so mesmerized by the concepts of Caesar's wife, a base cliché, Mr. Speaker, that led to the enslavement of women we heard about. One cannot codify everything, Mr. Speaker, I agree. But ministers of the Crown take an oath, first to keep secret the facts they become acquainted with in their duties and, second, to make their decisions in the best interest of the Canadian people.

Unless the contrary has been proven, Mr. Speaker, benefit of the doubt must be given the minister having public responsibilities. It is impossible to claim that somebody has betrayed his or her oath unless supporting proof is simultaneously offered and no one can imply that that somebody is not faithful to his or her oath.

However, I completely agree that since one cannot codify everything and considering the really privileged relation existing between a man and a woman and within a family, persons in such circumstances acquire a very high sense of ethics and that must be left to everybody's conscience. As a matter of fact, it is one of this society's problems to insist or codifying everything without relying at the same time on values that make people act in such or such a way. That is a basic truth, a guiding principle in life that normally derives from the whole field of human activity. The most perfect system cannot work if trust does not exist. There must at least be some faith in people's honesty. This has always been our society's moral foundation. I agree that we should codify wherever it is possible but conscience exists and it rouses me to indignation to see that hon. members opposite have not thought about it in this discussion which is precisely related to the basic values in life.

I know, Mr. Speaker, that if I say I am indignant at the very materialistic way those people approach the matter of conflicts of interest without giving due consideration to conscience, it is not sufficient and it will not appreciably change the situation. But at least, Mr. Speaker, hon. members will know exactly what stuff I am made of.

I for one, Mr. Speaker, and I know that hon. members on this side do as I do—try to develop the very high sense of ethics that will enable me, as the only woman sitting in this Cabinet, to be a pioneer in the way which will be opened to women by the fight I am engaged in.

[*English*]

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I was very interested in the remarks of the Minister of the Environment (Mrs. Sauvé). What she obviously fails to grasp, and what members on the other side of the House fail to grasp, is that this debate deals with principles which touch upon the very foundations of order in our society. It raises, first, the question of the principles of good conduct and moral responsibility on the part of elected representatives. In the reference we have before us there is recognition that such principles do in fact exist. The problem lies in the fact that the government is unwilling to take the strong, affirmative action that is needed to ensure that these principles are honoured at every level, particularly with regard to the executive.

● (1720)

The second fundamental question which this debate raises is that of public confidence and trust in government. A study carried out in Canada in 1968 discovered that more than one-third of Canadians were skeptical about the integrity of public officials and a substantial number considered public officials to be dishonest. There

is evidence from studies carried out in other democratic countries of progressive erosion of trust in the integrity of government officials over the past decade. These data, while fragmentary, suggest that we have reason to be vitally concerned about the strength of public support for our political institutions. I suggest we are dealing here with a matter which touches on the very survival of democratic government as we have traditionally understood it.

Democratic government rests on trust, but that trust should not be accorded simply on faith. Those who seek concealment will inevitably be assumed to have something to conceal. Public confidence will only be accorded if there is public scrutiny. Private activities which have a public implication cannot be reserved from public scrutiny. Our sincerity as members of parliament will be judged by our willingness to apply to ourselves stringent standards and rules.

I am pleased that the government has seen fit to introduce conflict of interest guidelines regarding private members, but I am gravely concerned about the nonchalant way in which similar conflict of interest legislation regarding cabinet ministers is dealt with. Although the Prime Minister (Mr. Trudeau) presented his guidelines on cabinet disclosure in July, 1973, it was not until December of that year that he promised a registry where the public could see these disclosures. Further delay of almost a year ensued because, in the words of the Prime Minister, "the registry was not ready because there was no staff for it nor offices allocated". Surely this is not sufficient excuse for such a lengthy delay, unless of course it gave the Prime Minister time to formulate his particular interpretation of conflict of interest legislation as it would apply to spouses and dependent children of cabinet ministers.

I would like to take issue personally with the way in which the Prime Minister dealt with this particular aspect of the guidelines. And the government House leader did nothing today to clarify the government's position on this matter. I may say, neither did the protestations of the Minister of the Environment.

Some hon. Members: Hear, hear!

Miss MacDonald (Kingston and the Islands): They all failed to grasp the magnitude of the public concern which exists about political morality. The Prime Minister has demonstrated many times in the past just how adept and singularly clever he is at wrapping himself in robes of virtue whenever he feels vulnerable on an issue. For instance, he portrayed his heavy-handed imposition of the War Measures Act as protection for millions of Canadians, when in reality it involved denial of their civil liberties.

The country is certainly aware of the Prime Minister's tendency to adopt a deliberately simplistic and evasive approach to some of the most perplexing and agonizing problems confronting members of parliament and the Canadian electorate. Such an approach can do nothing but undermine faith in our democratic institutions. Nothing is more desperately apparent, in the wake of Watergate, of alleged corruption and innuendo, than the need to restore public confidence in the political process. Strict regulations regarding conflict of interest are a necessity so that those who are responsible for decision-making do not appear to have any conflict between their private interests and their public duties.

How does the Prime Minister treat legitimate questions raised about the effectiveness of measures as they apply not only to cabinet ministers but to their spouses and dependent children? These are questions which are inherent in the public perception of the integrity of cabinet ministers. As one might expect from past practice, the Prime Minister treats such questions by deliberately avoiding them and distorting the issue. He grasps at any sort of camouflage, and on this occasion he reasserts his virtue by wrapping his indignation about the appropriateness of such questions in the mantle of women's rights. I should like to tell this Johnny-come-lately to the field of women's rights that in doing so he belittles the movement to which millions of Canadians, men and women, have dedicated themselves for many years. However, his newly acquired mantle of concern for women's rights is pierced through by male chauvinism. How do I arrive at this conclusion? I do so by noting the Prime Minister's replies in the House of Commons. Let me remind hon. members of his answer on November 29, when he said:

> It is a position that the evolving standards in Canada are such that we could expect that a spouse will have a right to an independent career and activities. This position is not universally shared and certainly it is not the position of the Tory Party. Probably that is why they elected so few women members.

An hon. Member: That's right.

Some hon. Members: Hear, hear!

Miss MacDonald (Kingston and the Islands): Mr. Speaker, the Prime Minister's reference to women members betrays his own outdated preconceptions with regard to the role of women in Canadian society. The Prime Minister's statement automatically assumes that spouses are women, that cabinet ministers are normally male, and that their wives need special exemptions from conflict of interest legislation. What the Prime Minister fails to understand about the women's movement is that it is equality for which we have been striving for years, not special status.

Some hon. Members: Hear, hear!

Miss MacDonald (Kingston and the Islands): What is the reason for the Prime Minister's reference to women members? I wonder how members of parliament who happen to be women on the Liberal side of the House feel when their leader implies that they have been elected because they are women. Is it beyond the comprehension of the Prime Minister to recognize that these women could have been elected on their merits and their ability to do the job demanded of them as members of parliament? Can he not admit that they are here because they have demonstrated, in the minds of the electorate, an ability and competence to be members of parliament? The Prime Minister's remarks showed complete lack of comprehension of what equality for women and the whole women's movement really means.

Why this sudden interest in women's rights by the leader of the government? Why this sudden interest by the government leader who, during his almost seven years in office as Prime Minister, has yet to enact a single, major

piece of legislation regarding women's rights and who as Prime Minister—

An hon. Member: It is on the order paper.

Miss MacDonald (Kingston and the Islands): Why this sudden interest by the Prime Minister, who has never made a major speech on the subject in this House and seldom outside? Why this sudden interest by the Prime Minister who has promised a human rights commission, the major recommendation of the Royal Commission on the Status of Women, in throne speech after throne speech, yet has not seen fit to introduce it in the House of Commons? But he salutes Canada's contribution to International Women's Year with a $500,000 untendered advertising award to a firm which comes up with the slogan "Why not?" Why not a woman, indeed!

● (1730)

The chauvinistic campaign which is shortly to be launched to tell the world about Canada's contribution to international women's year could have been written by the Prime Minister himself. Why, even his expletives are chauvinistic! Why this sudden interest in women's rights? It is because the Prime Minister must have a diversionary tactic to draw attention away from this loophole in his conflict of interest guidelines for cabinet ministers. Mr. Speaker, it does not matter how serious the matter or how sensitive the issue, the weapon of obfuscation can always be pulled from the Prime Minister's arsenal. So it is with this vitally important issue.

But if the Prime Minister thinks his belated discovery of the women's movement, and his misguided efforts to ride like Sir Lancelot to do battle on their behalf when faced with questions about the conflict of interest of spouses of cabinet ministers, will impress those who are making serious efforts toward equality in this country, let me disabuse him of any such thoughts. He will find that such use of a serious movement is an insult to millions of Canadians.

Sir Winston Churchill said:

> It is a principle of public life that ministers must so order their affairs that no conflict arises, or appears to arise, between their private interests and their public duties.

Obviously the financial interests of spouses are closely linked to minister's private interests.

I find two glaring faults in the government's handling of conflict of interest regulations, regulations which are so fundamental to the credibility of our entire political system: First, quite simply the government accords no priority to legislation respecting cabinet ministers. Second, in what it has proposed there is no provision for conflict of interest as it relates to spouses. Mr. Speaker, this issue includes the virtue of both Caesar's wife and Calpurnia's husband.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I must admit I am somewhat surprised. I thought we were involved in a discussion on conflict of interest, and instead it seems we are involved in a debate on women's rights.

An hon. Member: The Minister of the Environment (Mrs. Sauvé) started that.

Miss MacDonald (Kingston and the Islands): Your leader introduced it.

Mr. Herbert: I listened very carefully, and I felt that the hon. member for Ahuntsic (Mrs. Sauvé) made some interesting points which I had intended making myself in connection with the rights of my wife and her intentions in life.

Since we are discussing women's rights perhaps I might set the record straight. This government has amended the divorce law, the abortion law, the Labour Code relating to women, the Unemployment Insurance Act as it relates to women, and has legalized the sale of contraceptive materials. It was the Prime Minister (Mr. Trudeau), when Minister of Justice, who introduced the Royal Commission on the Status of Women. I think at this particular stage we should get off the subject of women's lib and get back to what we really should be discussing which is conflict of interest.

Although I have been here only two short years many things are not a surprise to me. However, one major surprise to me is the absolute hypocrisy we have heard in this House. The subject of conflict of interest which we are discussing today certainly is not a new subject. Surely it is a subject which every member must have considered when he came to this House.

First, we might ask what got us off the rails and why we are debating this subject today? A bit of scandal which was reported in today's Ottawa *Journal* sets this out in very clear terms. The article is entitled "This miasma of scandal". We are debating this issue today because of alleged violence by members of the Seafarers' International Union and because of campaign contributions to some cabinet ministers. That really, in essence, is why we are discussing this question today. That in itself is hypocritical.

I shall quote part of the article from the Ottawa *Journal* which I consider very appropriate. It states:

> What . . .
>
> —Opposition members—
>
> . . . should not do is make charges of impropriety without evidence and suggest that the acceptance of union support . . . was in any way wrong in itself.
>
> Most Canadians . . . know elections must be paid for and they know the system depends upon all sectors supporting the policital process.

This is where we start today's debate. In fact we started today's debate not on conflict of interest but on campaign contributions. I wish now to read something that is more apropos to today's discussion. I refer to a paragraph on the first page of the green paper which has been tabled, and which is the subject for discussion today. It states:

> A conflict of interest denotes a situation in which a Member of Parliament has a personal or a private pecuniary interest sufficient to influence, or appear to influence, the exercise of his public duties and responsibilities.

We might consider first of all the point in reference to a member of parliament. It has been suggested in the amendment that there is a refusal to consider conflict of interest which might apply to ministers of the Crown. I suggest that first we must look at ourselves, every single one of us, and stop talking as if the situation is serious if it is big, and not too serious if it is small. I suggest there is

enough conflict of interest in respect to members in this House. It is darned nigh time that we started discussing the activities of members of this House before we start worrying about ministers of the Crown. This is dealt with in the document where it states:

Although some may still consider membership in the House of Commons a purely part-time activity, the demands being placed on Members would suggest otherwise.

I suggest that at this particular point in time everyone should accept the fact that this is not a part-time job.

An hon. Member: It is a full-time job.

Mr. Herbert: It is a full-time job. I want to go quite a bit further than the green paper. In fact I challenge the opposition to say that the green paper does not go far enough in the sense that if we are studying this we must go all the way and set the record straight in respect of everything. This is why I take issue with the statement that appears on page 4 of the green paper. It says:

● (1740)

To sever all contacts and to liquidate all holdings is a luxury which could be afforded only by those well established or by those who do not depend on such sources for security.

It has been argued with justification that extended restrictions on outside employment may therefore discourage many prospective candidates. I consider that to be garbage. If restrictions are placed on members' outside interests, it will be necessary to ensure that the level of remuneration here is sufficient to comply with these restrictions. To some extent the independence of members of parliament depends on actions of parliament itself. I feel very strongly on this point because I think that today we are influenced in the House by special segments of the population, and I believe that that is because we, in all parties, have great difficulty in finding the kind of candidates who will represent the interests of our parties in the manner in which we would like.

It strikes me as incredible that in a constituency such as my own, which some may say may be considered a fairly safe seat so far as my party is concerned, we find a total of 14 persons out of 120,000 who are prepared to put themselves up for election for the various parties. I think that this is a state of affairs which we have to face when we are studying this green paper. It arises because of the taint which presently attaches to political life. Part of that taint attaches because of the number of members who really have a conflict of interest in the other things they do quite aside from their jobs as members of parliament.

I suggest we should go all the way right now and say that members of parliament should not only divest themselves of their financial interests but should divest themselves entirely of any other income, any other job, and look upon their job as member of parliament as a one hundred per cent full-time job. On that I challenge members of the opposition, who perhaps as lawyers or accountants are working for companies that in turn are doing business with the Crown. In their case there is just as much conflict of interest as in the case of ministers who have holdings.

Also I suggest that when we talk about financial holdings as if that posed some real conflict of interest, I wonder how many of us really believe that because we have a few shares in Imperial Oil, for example, we will be able to change the course of action taken by the government toward the oil industry. I feel that the whole attitude at present that has been attached to ministers of the Crown who have holdings which are supposed to influence their decisions is begging the real issue.

Either we accept on trust the word of every member of the House, or we establish a set of rules that governs everybody, not just ministers but every member of the House, and governs them to the point where there will be no conflict of interest because it will not be permitted to exist. Those rules must apply right down the line—severance of connections with companies, severance of connections with other jobs, severance of connection with any association that results in a member receiving moneys from any source whatsoever.

An hon. Member: What about farmers?

Mr. Herbert: Exactly that, we have farmers in this House who have large holdings, and do not tell me that there is no conflict of interest when they argue for their own point of view in committee. I am suggesting that if we are to be really honest with ourselves, we must go into committee and study this green paper which states:

A Member of Parliament is a trustee of public confidence and must perform and appear to perform his duties in a manner reflecting the highest degree of concern for the public interest.

That means that if we are going to set up rules, those rules must be complete and absolute. I challenge members of the opposition to accept that principle and not to point their finger at cabinet ministers, but to point a finger at every member of the House who theoretically, at some time in his life, will be in a position where he can be accused of conflict of interest because of an interest outside the House.

An hon. Member: Why not cabinet ministers first?

Mr. Herbert: I said already that I feel there should be no differentiation over what is considered a gross conflict of interest. Why is the conflict of interest of a cabinet minister any worse than that of a private member?

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): You can disregard the rest of your speech.

Mr. Herbert: If we are to examine what is going on in the House, we should look at what is going on in committees, at what members on the opposite side are doing in committees. They have a duty to perform to this country in committees, but where are they? They are all over the country doing other jobs, receiving other incomes. There is a real conflict of interest, and that is what I am dead against.

Until we face up to the truth of what is real conflict of interest, we will not go anywhere. That is why I want to see this green paper strengthened and toughened, and I want to see rules brought in so that there is no further doubt. If we are not accepting a man's word any more—and I am prepared to accept everybody's word—then let us

have a set of regulations that are so tight that no one will get away with it and no one will be able to be accused of conflict of interest. That is my objective, and that is why I am anxious to get on with the discussion of the green paper in committee.

Mr. Reynolds: Would the hon. member answer a short question?

Mr. Deputy Speaker: That can only be done with the consent of the hon. member.

Mr. Herbert: Yes, Mr. Speaker.

Mr. Reynolds: The hon. member quoted something out of a newspaper, and then he quoted some words. I know where the quotes were coming from, but can he tell us who was the speaker in the second quote?

Mr. Herbert: Mr. Speaker, I suggest that the gentleman has not read the green paper because, after my initial quotation, my other quotations were from the green paper which we are supposed to be studying tonight.

Mr. Reynolds: The hon. member said he was quoting out of a newspaper.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I am glad to be participating in this debate. Although we on this side will try to keep our speeches down to about 10 minutes, I will not find that very difficult because I do not want to make too many comments about the previous speaker, the hon. member for Vaudreuil (Mr. Herbert). Although one can get into a discussion on semantics about the honoured name of his constituency, I felt that part of his argument, to which I listened with great interest, fell within the confines of vaudeville because obviously there must be a difference in the conflict of interest of a cabinet minister and that of a member of parliament due to the difference in their responsibilities and duties and in the exercise of discretion between the two. If the hon. member does not appreciate that, then to have a meaningful debate on this subject will become very difficult indeed.

Having said that, let me say that I fully agree with the hon. member that this is not a simple situation of resolving whether a member is to be here full-time or part-time. During the hon. member's speech someone interjected, "How about farmers and fishermen?" We could even mention lady members of parliament involved in the women's liberation movement.

This whole matter is so involved and complicated that obviously it must be considered in committee. As to cabinet ministers, there have been some remarks made by members opposite regarding different attitudes and responsibilities of cabinet ministers and members of parliament in this chamber and in the Mother of Parliaments.

To have listened to some of the comments here and in the question period during the last two or three days defies description. I must say that I am glad that the Minister of Supply and Services (Mr. Goyer) and the Minister of State for Science and Technology (Mr. Drury) came back to the House. If there was any revelation at all on the problem of conflict of interest it was in the latter's question to the Leader of the Opposition (Mr. Stanfield). He asked if the definition of conflict of interest was, in effect, a participation in public office for private gain. If that is the hon. minister's concept of this debate he is revealed in his nakedness of knowledge on this subject more than the emperor who was wearing no clothes.

● (1750)

Obviously while profit could be a factor, it is the public perception of the office that is important. It would be just the same thing if a doctor, who was an eminent citizen in a town, owned and operated a funeral parlor. There would be a public perception on the part of the citizens as to whether the doctor was discharging his full duty under the laws of medicine—dependent on the business that might be going on in the funeral parlor! But I would repeat that it is the public perception of the office that is important.

In that respect, Mr. Speaker, and because communications has been my responsibility under my leader in this party, I have a matter to bring before this House. This is the proper place to bring up the matter of the interests of the Minister of Regional Economic Expansion (Mr. Jamieson). I sent him notice of my intention to raise the question, and I am glad to see he is in the House.

I should like to say, Mr. Speaker, that anything I say in the next few minutes will not be intended to reflect in any way on my personal relationships and associations with the minister. But I feel very sincerely that having had six years and five months to divest himself, either by blind trust or frozen trust, of shares in the Newfoundland Broadcasting Company Limited, and having failed to do so, he comes within the area of conflict of interest. He is a minister of the Crown, and an agency of the Crown, the CRTC, is involved with licence applications. I might add that there are three shareholders in the Newfoundland Broadcasting Company Limited.

The minister was first appointed to cabinet on July 6, 1968, when he was made minister of defence production. He then became in turn minister of supply and services, minister of transport and communications, which was very directly connected with the whole question of assignment of radio frequencies and the technical studies that determine whether there should be a radio station, and now he is Minister of Regional Economic Expansion, which department has many interests in eastern Canada and has contractual relationships with the Newfoundland Broadcasting Company, Limited through advertising, as well as with the other media in Atlantic Canada.

I am not digging into the history of the Newfoundland Broadcasting Company, Limited, Mr. Speaker, although I appreciate that at the moment some epithets are being thrown back and forth between the former premier of Newfoundland, the only living father of Confederation, Mr. Smallwood, with allegations about how the company was formed, and Mr. Pickersgill, and the minister. The CBC took a long time to get to St. John's, finally getting there in 1964.

As I have pointed out already, there are three shareholders in the company. The minister's brother has one share, Mr. Jeff Stirling has 151 shares, and the minister has 148 shares or 49.33 per cent of the total shares, so he has a natural and substantive interest in the undertaking.

In the six years and five months that the minister has been in cabinet, applications have been before the CRTC in proper form for TV licences initially, or for renewals, or for an increase in the power output for radio stations. There have been 17 applications affecting television stations, and ten affecting radio stations owned by the Newfoundland Broadcasting Company, Limited.

There has been no effort by the minister to divest himself of his interest in that company through a blind or frozen trust, and this must affect the public perception. I fully appreciate his difficulties in trying to make arrangements to take care of something that has been his lifelong work and to take care of his family. This is part of the difficulty, and it is why no questions were raised in the House for two or three years about the problem as it affects cabinet ministers from time to time.

Senator Keith Davey pinpointed New Brunswick, and said there is monopoly ownership of newspapers in that province by K. C. Irving—even though some of them are marginal operations and could not keep going unless Irving underwrote them. But I wonder if the same rules do not apply to these applications for extensions, renewals, new licences or increased power output of the radio and television station that I mentioned. In effect, there is a monopoly of radio and television by the Newfoundland Broadcasting Company, Limited. I do not impute anything of a criminal nature to the Minister of Regional Economic Expansion, Mr. Speaker.

I should like to read to the House part of a letter which Mr. Pearson wrote to his ministers on November 30, 1964, in which he said:

> . . . equally . . . a minister must not have a pecuniary interest that could even remotely conflict with the discharge of his public duty.

I think it is clear that a minister of the Crown, let alone a minister of transport and communications, who had something to do with radio and television licence applications of the Newfoundland Broadcasting Company, Limited did have an involvement in the discharge of his duties with that company which had contractual relationships with the government in which he sits as a prominent and respected member. This is one of the reasons why I think we have to look at the whole question of the involvement of ministers. Obviously the higher the duty the higher the responsibility, and there should be definite guidelines.

If the government is intent on opening this matter up, an answer to my question on the order paper of November 15, asking about contractual relationships and the number of successful applications, would have helped.

The hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) also has a question on the order paper directed to the Minister of Supply and Services inquiring about his contractual relationship and interest in Avis, Canada before it was sold to Avis in the United States.

Because of a minister's responsibilities there is a higher duty on him in the exercise of his discretion. Members must appreciate that, Mr. Speaker, before they can talk meaningfully about the conflicts that exist at times of members of this House of Commons.

Mr. Jamieson: May I call it six o'clock, Mr. Speaker?

At six o'clock the House took recess.

[Mr. Nowlan.]

AFTER RECESS

The House resumed at 8 p.m.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I thank the hon. member for Annapolis Valley (Mr. Nowlan) for giving me notice of his intention to participate in this debate and to raise the issue of my holdings in the Newfoundland Broadcasting Company. I sincerely appreciate what he did, and I am sure his action reflects a mutual desire to reach an understanding on these matters that is satisfactory and meets the high standards of this House.

I welcome the opportunity to respond, not merely because the issue affects me personally, but because in a much wider context it gives me the opportunity to deal with a question which can, from time to time, affect other hon. members.

At the outset let me emphasize what I have said many times before. Since entering public life I have not been involved in any way, and I emphasize this, in the operations of the company concerned. Upon entering the cabinet in 1968, I immediately ceased to be a director or officer of the company. At that time also—and I think this is important—I sought means of placing my holdings in some form of trust, not because there was any legal requirement that I do so, but because I considered it the appropriate thing to do in the circumstances. Such a trust was in fact drawn up at my request and I have scrupulously honoured ever since the spirit of that document, as many people, including, I sincerely believe, some of my friends opposite, can attest.

The problem, and now I come to the central issue which, as I said, can affect other hon. members from time to time, is that in many cases where undertakings are licensed by some federal authority or agency, shareholders are specifically prohibited from assigning their rights to a third party. I emphasize that point because it is essential to this particular issue. In many instances where undertakings are licensed by some federal agency, shareholders are specifically prohibited from assigning their rights to a third party. This, as hon. members well know, is the case in broadcasting and, so far as I have been able to determine, in several other fields under federal jurisdiction such as, for example, certain activities regulated by the CTC and similar bodies. Thus a member or minister, in entering into a trust to eliminate even the appearance of one potential conflict, would find himself in violation of a federal law or regulation. That is precisely the position in which I found myself.

I hope that hon. members viewing this issue objectively—I emphasize objectively, because I believe that is what we are trying to do in this debate—will see its very wide ramifications. It is my opinion that the committee should examine this issue and recommend appropriate means whereby members of this House and others in similar circumstances—and I am referring, although they are perhaps not as relevant to this debate, to senior public servants and the like—can be relieved of this particular requirement relating to federally licensed businesses.

There is another reason why I believe it to be desirable. Persons such as myself, with holdings in licensed undertakings—and I am sure that members of the legal profes-

sion know this—are not free to sell such holdings except with the permission of the licensing authority, in this case the Canadian Radio-Television Commission. In ordinary circumstances this is a sensible regulation and I believe, if my memory serves me right, that my hon. friend from Annapolis Valley and I both voted for it in committee some years ago. So I have no quarrel here and, if the hon. member's memory is as good as I think it is, he will concede that we both agreed on that point. So the proposition that the CRTC should have the right to approve a sale is sensible. In ordinary circumstances there is no problem with it. However, for members of parliament and ministers that proposition has created real, indeed almost insuperable difficulties, as I have discovered.

In the first place a sale requires negotiations with one or more of the potential buyers. That is demonstrably true, it seems to me. I would not consider it proper for a shareholder, particularly for a minister, in those circumstances to carry on such negotiations personally. To do so would certainly offend against the spirit of what we have always believed to be a proper guide of conduct for members and ministers in this House. I should like the committee to consider this inhibition, this difficulty placed in front of each of us, whether as private members or as ministers.

● (2010)

Second, even if such negotiations were carried out successfully by the party concerned, the CRTC is under no requirement to approve a sale or to accept a particular buyer as being satisfactory. This is the law of the land. I mention it in the context of the CRTC, but my belief is that it applies to other regulatory agencies where similar circumstances prevail.

In my case, faced with this dilemma, I wrote to a trusted friend a year and a half ago asking him to accept full authority from me to negotiate the sale of my holdings, making it abundantly clear that, if he accepted, there would be no consultation with me and that I would be fully prepared to agree to whatever arrangements he could work out himself.

The gentleman in question—and I hasten to add that he is in no way related to me, nor do I have any business connections with him—was prepared to accept the assignment, for which I am extremely grateful because it is not easy to find someone ready to accept that kind of responsibility. Since that time the only information with which he has provided me is that in December, 1973, an offer to purchase my holdings was filed as required with the Canadian Television and Radio Commission. As hon. members know, it is for the commission, and for the commission alone to determine the scheduling of its deliberations and to date it has not heard the application. I suggest to hon. members that my judgment was correct in saying I would not consider it proper for me to request the commission to accommodate me, and therefore I have made no contact with them whatever.

Hon. members might well consider, during their deliberations, whether it would be appropriate to suggest to the CRTC and to other licensing authorities that special arrangements might apply in cases such as I have outlined. I believe, if I may say this in parenthesis, that a member of this House, be he a minister or otherwise, should probably have the right to request a licensing agency, whatever it might be, to give some kind of priority attention to matters of this nature.

From my point of view I have been in the hands of the CRTC for over a year with no opportunity whatever, other than one which might well be considered an improper intervention, to ask the CRTC to deal with this matter expeditiously. These are the facts of the matter. They are on record, and they are clear for everyone to see. I am most anxious to have this matter dealt with expeditiously. In the meantime, I have, of course, complied with the conflict of interest guidelines.

As a matter of fact since my holdings have been a matter of public record each year in the CRTC report, there has been full disclosure; whatever argument there may be among hon. members about full disclosure it certainly cannot apply in this case. There has been full disclosure, and the option I exercised was a perfectly natural one for me to exercise under the guidelines. I am pleased to have the opportunity to repeat what I have said many times publicly—that I have never in my years of public life sought in any way to benefit from my position. Quite the contrary, as the chairman of the CRTC can attest if any member cares to get in touch with him, my only representation to him, since entering parliament, has been in the course of efforts to get CBC service into remote parts of Newfoundland and other distant areas, and I am confident that all members will agree that this is part of my responsibility as a member of the House and that, indeed, far from reflecting some kind of personal interest it was, if anything the reverse—we are talking about small repeaters which are not significant from a profit point of view. I was trying to get the CBC to move more rapidly than it has in reaching people in remote parts of the country, and I am sure no one will accuse me of conflict of interest in that kind of situation.

I should say, too, that the chairman of the CRTC, who is known generally and widely respected by every member of the House as an independent and conscientious public servant, has already stated publicly on several occasions that I have never attempted even to discuss with him any matter being dealt with by the commission.

I respect the hon. member for Annapolis Valley for making the distinction this afternoon between matters which relate to my responsibilities as a minister and matters affecting my responsibilities as a member of parliament—those touching my constituents. I say to him that no person I am aware of can state I ever discussed any other matter with the CRTC relating to my own province except those which had to do with service to remote areas, and if there is any doubt left in his mind I suggest the chairman of the CRTC be asked to confirm what I have said. Despite this, let me say in all sincerity that I shall be glad when the necessary CRTC hearing has been held and the matter disposed of, Mr. Speaker.

At the same time—and I am asking hon. members to consider soberly what I am saying—it is a case where the cost of public service can come high. Many hon. members, some of them sitting on the opposite benches as well as on this side of the House, know what it is like to build a business from scratch—there are others who know this is precisely what happened in the case in question. It can be

a cause for regret, particularly in view of the uncertainties of public life when, for whatever reasons, the necessity arises to dispose of it. In my years here I have found that we, as members, must retain a mutual respect for each other's integrity. Without this an already arduous and difficult career in the service of the country would be doubly difficult, even impossible. That is why I took the steps I have outlined. It is why I now urge the committee to examine the general questions I have raised. I am confident that if it does so an equitable solution can be found.

For my part, any or all of the documents to which I have referred, namely, the assignment of the right to dispose of my assets and the acceptance of that right, the trust agreement, which as I have emphasized was indeed an illegal document in the sense that it was not permissible according to the CRTC, evidence that it was executed in 1968, and anything else to demonstrate that the outline I have given today is a factual one, are available to any member who cares to contact me, for this issue this really illustrates not so much the quandary of a particular person but the very definite gap in the present arrangements regarding conflict of interest.

● (2020)

Anything that I can do in this regard to help resolve the matter, I shall do. I mean, resolve it not for me, because I believe I have resolved it honestly and totally so far as the CRTC is concerned—the next step is up to them—but to resolve the question for members generally who may, indeed unwittingly, be parties to a licensed organization as a result of which they are not able to deal in total freedom with their assets. I shall be more than willing to assist them in that project.

In conclusion let me say once again that I am glad I have had this opportunity to dispose of a situation which has been, to say the least, embarrassing. I say embarrassing in the sense that although I have been doing the right thing, with no question in my mind or in my conscience, I nevertheless realize that here there was potentially a question in the minds of other people. If I can help dispose of this issue and assist myself and others in getting rules which will provide a simple means of resolving this kind of conflict, and which above everything else will ensure that people are not prevented from entering public life in these kinds of circumstances, then it seems to me that it is worth while to do so. I for my part am quite prepared to co-operate in whatever technique or methods the House, in its wisdom, decides to employ.

Mr. Deputy Speaker: Is the hon. member for Annapolis Valley rising to ask a question?

Mr. Nowlan: Yes, Mr. Speaker, if I may. I certainly appreciate the minister's remarks tonight, and it is that mutual respect for each other's integrity which made my remarks prior to the supper hour somewhat sensitive, and I am glad I did not encroach too far.

The whole dilemma confronting us in this debate today is not that of the respect that I might hold for the minister as a minister, or as a colleague, or in the corridors as a friend; the dilemma we face is the public's perception of what we do here, either officially as members, as government leaders or—

[Mr. Jamieson.]

Mr. Deputy Speaker: Order, please. The hon. member is hardly asking a question. I wish he would come to his question now.

Mr. Nowlan: Yes, Mr. Speaker, I am coming to my question. For this reason I should like to ask the minister two questions. First, when the offer to purchase was made in 1973—and I can understand the minister's hesitation in trying to expedite it—why did the agent not expedite it? Secondly, so that full public disclosure is made here tonight even before we get to committee, would the minister do his utmost, with his colleagues on the treasury benches, to answer the questions that I have on the order paper?

Mr. Jamieson: Mr. Speaker, with regard to the first question, I am sure the hon. member can see the point. Once I have assigned responsibility to the agent, surely I ought not to instruct the agent what to do. I assure the hon. member there was no relationship at all between us regarding this matter.

I should also point out on the broader question that it is not unusual, as I understand it, for matters before the commission to drag on for a year or more. Indeed, I saw only yesterday that it was passing down judgments from June of last year, so I think the hon. member is aware that the time span is a long one.

With regard to the second query about the questions on the order paper, a rather broad area is involved here. I hope the questions will be answered to the extent they can be, but this afternoon my hon. friend raised a question, and since it was rather broad I hope the House will permit me to answer it at some length.

The question is rather general in the sense that it asks what constitutes a contract. For example, references were made to various departments for which I have had responsibility. To the best of my knowledge there were no such contracts. There may well have been, for instance, an advertising campaign relating to safe driving or to the breathalyzer test or something of that nature, which presumably was placed by an advertising agency, but I can assure the hon. member, again without qualification, that there was no influence on my part. Quite the contrary.

This also seems to me to raise a question to which I suggest the committee address itself, namely, a clearer definition of what actually represents a contract between the "Crown" and a member of parliament or anybody else. Does it in fact extend, for example, to Air Canada, or to the Wheat Board in its permit book system with the farmers? What is a contract in those terms? I do not profess to have the answer, but I can assure the hon. member that from my point of view it will be answered to the best of our ability.

Mr. John A. Fraser (Vancouver South): Mr. Speaker, in following the minister I want to echo the words he just used and assure him, as I am sure all other members in this House will be quick to assure him, that our deliberations in this House of Commons of Canada, if we are to serve the people of Canada who sent us here, do depend in

a profound way upon what the minister said—and I took his words down—"mutual respect for each other's integrity". I think that is something that all members of the House can find themselves in agreement with tonight.

There is also the question whether the public is going to have the respect for this chamber that we may well have for each other within it. We are dealing at a greater distance with the public, and that is why, in these matters of the public interest and the conflict that may be engendered not only by members of parliament and cabinet ministers but by public officials as well, it is incredibly important that it be seen by the public that there is no conflict of interest, so that the public has respect for our integrity.

The motion I rise to speak in favour of tonight, put by my leader, is that the committee be authorized to report on the aforementioned green paper after first considering and making recommendations on the subject matter of ministers and conflict of interest, and public servants and conflict of interest.

I had occasion a few weeks ago to raise the issue as to what is the obligation of a senior public official, a deputy minister, when he leaves the service of the government and gives his services to a private employer, or to a community interest for that matter. When I first raised the question with the Minister of the Environment (Mrs. Sauvé), she was unaware that her own deputy minister was in fact leaving, or rather she knew he was leaving, but not to go into private business. Her suggestion was that the oath which that particular deputy minister had taken was sufficient to preserve all the proprieties.

On a later occasion I was able to raise this question with the right hon. Prime Minister (Mr. Trudeau), and on November 25 I said to the right hon. gentleman that in order to gain public confidence in the matter there should be a cooling off period from the time when a deputy minister or other high official leaves the service of the government and the time he is permitted to engage in private industry or business in the same area in which he has served the government.

● (2030)

The right hon. Prime Minister said this, and I quote from *Hansard* of November 25 at page 1618:

In so far as the question itself is concerned, the government did consider this alternative and it was rejected. I think if it were to apply to civil servants it would have to apply to all members of the House and we do not think that members of the House would want to apply that rule to themselves.

The Prime Minister then went on to say, and I think this is interesting because he recognized the problem:

. . . frankly I have no further solution to this difficulty and I see it as a real one. I do not think it is a practical alternative to suggest that when officials or ministers or for that matter civil servants or members of parliament, have departed from their particular employment that they be in some way restricted as to the use of their freedom. I would hope that their oath of secrecy and their innate honesty would guide them in the circumstances that the hon. member suggests.

That is all very well, but I think it is important to emphasize the words of the Leader of Her Majesty's Opposition (Mr. Stanfield) this afternoon, when he said:

These very capable public service people are going into the private sector, as we call it. I presume that in many cases they will go into jobs in the same field they dealt with in the government service. What guidelines are given to them on leaving the public service? Is there a system or a set of rules, or is each person who leaves the public service from these high levels left largely to the dictates of his conscience and to interpret the demands of the oath widely or narrowly?

I think what the Leader of the Opposition said has put the position very clearly. This matter has been the subject of discussion in the press, and at least two well-known observers on the political scene in Ottawa have reported on it. Perhaps it is proper to draw the attention of the House to an article by Maurice Western, which ended in this way:

The problem is that, without violating the oath, such former public servants can be extremely useful to private firms in dealing with the Government. They may well have been recruited for exactly that reason. It is altogether improbable that they will be asked to reveal (or would disclose) what was in such and such a minute or secret study. But they may well be asked for counsel. Would it be wise to proceed in a particular manner or to emphasize this or that in making a representation? How, in counselling a private firm in what may be a competitive enterprise, are they to shut out of their minds a whole experience?

That statement reflects the commonsense appreciation of the situation by most people in Canada.

In another article Mr. Phil Gibson touched on this problem in respect of a particular deputy minister who was being discussed. Mr. Speaker, I made it very clear at the time, and subsequently, that in raising the question of the retired Deputy Minister of the Environment I was in no way suggesting that his integrity was for one minute being questioned. Indeed, along with many of my colleagues and I am sure other members of the House, I have a tremendous regard for the public service he has given this country, especially in relation to his role in respect of Expo, and for the years he subsequently gave this country as the Deputy Minister of the Environment in his difficult task of forming a new department. That particular deputy minister has, I think quite properly, declined to comment.

Let me quote from the article by Mr. Gibson as follows:

However, he and others in similar situations might welcome a clarification of the accepted, official morality. Jack Cross, assistant clerk of the Privy Council, said he has known deposed or retiring cabinet ministers to ask for a copy of their oath. "We don't ask why they want to see it, but I suppose it gives them some indication how free they are."

There also appears to be some ambiguity over whether the oaths are legally binding once a person has left office. None of the four varieties of oaths makes specific reference to this possibility.

The public service oath, which applies to deputy ministers, states simply: "I solemnly and sincerely swear that I will faithfully and honestly fulfill the duties that devolve upon me by reason of my employment in the public service and that I will not, without due authority in that behalf, disclose or make known any matter that comes to my knowledge by reason of such employment. So help me God."

Even Cross, who has kept track of scores of oaths in 30 years at the Privy Council office, is unsure of their applicability, although he adds: "It would be ridiculous not to have it apply after leaving office."

The fact of the matter is that events have changed over the years, and the tremendous position of power that senior public servants acquire as a result of their duties, and the tremendously important knowledge they carry with them when they leave these duties give an inside track to those public servants when they go into the private sector and have to deal with the government departments, agencies, licensing authorities and fund raising authorities, and that affects the public interest.

There has been debate today as to what "public interest" means. The Minister of Public Works (Mr. Drury) asked whether it meant when you used your own public office to your own private advantage? It does mean that, but it means something else as well. It means whether your activities give you, or the people you work with, an advantage over other members of the public who are expected to come before the government, its agencies, its regulatory offices, its licensing bureaus and its financial granting offices with complete equality with any other group or citizen that is applying.

It is interesting that this issue is raised at a time when a number of deputy ministers are retiring. The Deputy Minister of the Environment is leaving, the Deputy Minister of Finance for the past four and a half years is leaving, the Deputy Minister of Industry, Trade and Commerce is retiring, as well as others. One of my colleagues reminds me that the Deputy Minister of Agriculture is also retiring.

It seems to me that at time when a number of deputy ministers are withdrawing from public service it becomes very important that the government immediately lay down guidelines and stipulations as to what their freedom of operations is after they leave the public service, and whether there should be a period—I call it a cooling off period—so they do not take with them, to use in a situation of immediacy, the knowledge they acquired in the service of all the public. It is interesting that the right hon. Prime Minister when answering me seemed to suggest that this alternative had been disposed of or rejected by the government as not being practical.

I am indebted to a citizen who wrote me, a Mr. V. H. Coley from the province of Alberta. He had this to say:

> Ten or twelve years ago I worked for the C.N. Express in the bond department, working in the Federal Building on 107th St. We gave in bond shipments to the customs and when they were cleared delivered them. The gossip was that appraisers or men who worked in the customs long room assessing duty and sales tax, if they resigned from the service, were not allowed to work as or for customs brokers for one year, to remove the edge they had.

● (2040)

I ask hon. members to keep in mind what that citizen said. To quote him again, he said, "to remove the edge they had". Discussions were held with some officials in that particular department, and one of them said something interesting. He said that this requirement was "in order to remove the potency of the information which they have accumulated". It is interesting that indeed such regulations do exist. I shall cite for the benefit of all hon. members the regulations respecting the licensing of Custom house brokers. These regulations were promulgated in April, 1960, and so far as I know are still in effect. In the qualifications for licence section in these regulations appears the following:

> The Committee shall not recommend to the Minister the granting of a licence to an applicant unless the applicant satisfies the Committee that he . . .

Then there are a number of things he must satisfy the committee about which are enumerated, following which item (f) reads:

> (f) has not been an officer of the Customs and Excise Division of the Department within two years from the date of the application; and

> (g) is not related either by birth or by marriage to an officer of the Customs and Excise Division of the Department.

It is difficult for me to understand, and I think it will be extremely difficult for the public to understand, why the customs officer cannot go out into the private sector and use his knowledge accumulated within the public service within two years, and yet a deputy minister with all the power that that position gives him, and all the influence it gives him in relation to other members of the community, can go out immediately and place himself in a position that the Parliament of Canada will not allow to an ordinary customs official.

Some hon. Members: Hear, hear!

Mr. Fraser: It is not just sufficient to say that this would be difficult, that it might create problems and that hon. members would not want to be restricted in what they can do. The fact of the matter is that the Parliament of Canada has already recognized this situation and enacted regulations. So, I am sorry the Prime Minister is not here tonight, but I would ask that someone bring this to his attention because it is extremely important that what we decide by law will apply to people away down the line should also apply to people in the most senior and powerful positions of the government of Canada.

It is my view, and I would urge it upon the government, that long before the time comes when it will be necessary to discuss the green paper and all its ramifications, in view of the fact there are increasingly more and more cases of senior public officials retiring and entering some sort of private life, that the government should now lay down some guidelines, which can be adjusted later if necessary, in order to clear up once and for all any doubt concerning whether or not these officials will leave the public service carrying with them an advantage which gives them an inside track against the interests of other members of the public, and in this way affect the public interest of our country.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I am pleased to participate in this debate. I am delighted with the intensity of the debate. I think it certainly reflects, so far as our party is concerned, the great respect we have for and the way in which we cherish this institution. We try to develop guidelines which show that justice not only is done but appears to be done.

One of the interesting things about the Minister of Regional Economic Expansion (Mr. Jamieson)—and clearly he has the respect of every member in this House—is that he missed during his eloquent defence of his position the point that justice not only must be done but must appear to be done in terms of this particular piece of legislation. I have heard arguments from both sides of this House which avoid the principal issue, which is the question of full disclosure. We are still skirting around, above, under and over it, but are not really getting to the question of full disclosure because what the public wants to know is what one has to hide. The public wants full disclosure.

There is no reason why we should have to become involved in blind trusts or frozen trusts. A blind trust works both ways. It is blind in respect of the person who

owns it, and it is also blind so far as the public is concerned in respect of knowing what is in it. This is what I mean that justice must appear to have been done, and the only way is by having full disclosure.

I have had an opportunity to look through about 69 pages of the green paper on conflict of interest. It so happens that I picked up a bill from the province of British Columbia which contains five pages, but which does more in respect of showing that justice is being done and appears to be done, than all the 69 pages in this green paper on conflict of interest. I might point out that that bill was passed in British Columbia in September of this year. It provides that every elected official in the province of British Columbia must disclose his assets, period, that those assets be made public and that the public have an opportunity to examine them. In that way the real question of conflict of interest is avoided, because if a cabinet minister who has control over the economy in a particular area discloses his assets, then I will respect him because I know he will make sure there is no apparent conflict of interest.

If we want to be sure that not only is justice done but that it appears to be done there is not a reason in the world why total disclosure should not be made of the assets of every member of this House.

I was very interested in the remarks of the Prime Minister (Mr. Trudeau) on July 18 when he said this:

> The government believes that no higher standards should be demanded of anyone than of ministers themselves.

That is a wonderful sentiment. I waited patiently to see it reflected somewhere, but it has not been reflected in anything. In fact the green paper sets a lower standard in respect of cabinet ministers than it does for members of the House of Commons. This is why at page 37 the committee that is to be appointed to study the question of conflict of interest is given wide powers except in this case:

> The Committee may not investigate conflicts of interest of a Cabinet Minister if the alleged improprieties result from the exercise of his duties as a Minister of the Crown.

Why should we exclude ministers of the Crown from the inquiry of the committee while we include members of this House? It seems to me one could argue that lower standards are being set for ministers in spite of the very eloquent remarks of the Prime Minister, in which he indicated that ministers should have the highest standards.

● (2050)

I think we all agree that if we are going to do a service to the public we must see that justice appears to be done, and it can only appear to be done when the public knows that those assets are on the record and are disclosed.

An hon. Member: Tell that to Mr. Barrett.

Mr. Leggatt: Let me tell the hon. member that it is Mr. Barrett who should be telling this government that, because the bill to which I am referring requires full disclosure from every elected official in British Columbia. It is that bill that this House should adopt if we want to be realistic about full disclosure.

Before concluding my remarks I want to comment on the questions raised by the Minister of the Environment (Mrs. Sauvé) this afternoon in her remarkable defence of the failure to bring spouses under the bill, using women's rights as an excuse.

Some hon. Members: Shame!

Mr. Leggatt: If there is a group in this country that wants to see that justice is done and appears to be done to them and to everybody else, it is women. And they should be the first group, and I am sure they are, that would be critical of a minister that would use that argument to hide behind the failure to have proper conflict of interest guidelines. I do not need to deal too much more with that, because I think the hon. member for Kingston and the Islands (Miss MacDonald) dealt with it very successfully. In fact, she dealt with it so successfully that the next speaker said: "Let us not deal with women's rights any more, I think we have had enough", and I am sure they had.

I think that if you analysed that kind of argument, which is an elitist argument about women and which is the wrong argument to use—remember, when you are talking about women you talk about the most unemployed, the most on welfare—you find that they have interests besides whether they are going to marry cabinet ministers, and they have other worries than whether or not they have to disclose their assets.

Some hon. Members: Hear, hear!

Mrs. Sauvé: I want to ask the hon. member how he thinks a cabinet minister will remain married if the condition of her being a cabinet minister is that her husband stops having a career?

Mr. Broadbent: It does not follow.

Mr. Leggatt: Let me say in answer to the question that there is an act called the married women's property act under which every woman who comes to marriage is entitled to own the property she brings to the marriage. If it is in her name, I am not interested in it, but I am damn interested in the property she acquires since the date of her marriage. I think that should be disclosed, and not to disclose it is a way of avoiding justice appearing to be done. That is all the public wants, and all that the House really wants.

Mr. Jamieson: You are an old reactionary.

Mr. Leggatt: I am sorry that the hon. member for Vaudreuil (Mr. Herbert) is not in the House, but it is he who said that the real reason for this debate today was not conflict of interest but to raise the question of the SIU.

The first time that those three letters were mentioned in the House in this debate was when the hon. member for Vaudreuil decided that was the time to mention them. I am surprised he bothered with it, but it is he who brought it into the debate. I must say, as one member who was not in the House when many of these questions were asked, that I have seen a lot of smoke but not very much fire. Perhaps we have had a little too much protest. I do not know why they want to raise that question in terms of

conflict of interest guidelines. In any event, I must say that if the price of influence peddling is down to $500—

Mr. Jamieson: That is just plain peddling.

Mr. Leggatt: —then I would be very surprised. In any event, I will not deal in an extensive way with that subject, which was certainly canvassed extensively last week.

I want to conclude by urging the minister and the committee when they deal with this matter to have a look at frozen trusts and blind trusts, and then to have a look at full disclosure. Within those three principles you will find that the public is more interested in the disclosure of assets so that they know that justice is being done, and so that they have access to that information. Then parliament will receive the respect which ministers and members of parliament deserve. But until we are ready to take that step we have not gone far enough in terms of conflict of interest legislation.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I listened a few moments ago to a very eloquent speech by the Minister of Regional Economic Expansion (Mr. Jamieson), but I want to say to him that the very fact that he felt compelled to stand in the House and make the speech which he did is one of the strongest arguments that could have been put for the support by his party of the amendment that has been put forward by the Leader of the Opposition (Mr. Stanfield).

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): It was an eloquent speech, and I rather felt for him—I say this to him directly—because he confessed on the floor of the House—

Mr. Jamieson: Not confessed.

Mr. Broadbent: Admitted.

Mr. Baker (Grenville-Carleton): Let me finish that phrase. He confessed on the floor of the House to feeling a sense of embarrassment in the situation in which he found himself, albeit as he argued, and we could examine that argument later, he was compelled by law into this situation. But it is that very sense of embarrassment that a minister of the Crown should feel, and which this minister has confessed he did feel, which is the strongest possible argument for the amendment we have moved.

The purpose of the amendment is to ensure that in dealing with questions of morality or justice, in the fair and equitable manner in which the minister asks us to deal with those questions, the place to start is not in the complicated and difficult area of the member of parliament, the backbencher, but in the clear area of ministers of the Crown. That is the reason that we have put this amendment. But for all his eloquence the minister did not answer the argument that was made earlier today by the Leader of the Opposition. I think the proposition put forward by the Leader of the Opposition is unassailable, namely, that the higher the position, the greater the duty to ensure not only the existence of morality in public life but the appearance of the existence of morality in public life. That is the plain unvarnished reason for the amendment which we have moved.

I want to say to the House that I have been astounded by the speech of the hon. member for Vaudreuil (Mr. Herbert) and by the fact that he should say what he did and say it in the way he did, completely misinterpreting the line of debate that we have tried to bring forward today. But I was astounded more by the government House leader who, on December 6 in the House, appeared to argue that the special position of cabinet ministers, their special privileges, the important access they have to knowledge, do not place a cabinet minister in a higher position than a backbencher in the House. I cannot accept that argument, and no one else can accept that argument. That is not to say that a backbencher's duties ought not to be examined, but surely in the year 1974 we have not come to the position in this country—particularly this country—when people with these extraordinary powers and privileges do not carry with them a special duty in the exercise of their privileges. That is the point of the amendment that we put forward, Mr. Speaker.

● (2100)

Some hon. members in this House today have dealt with public servants. The hon. member for Oshawa-Whitby (Mr. Broadbent) said that the guidelines that were produced on December 18, 1973, with respect to the public service were not sufficient. I think he has a point, and the committee would have to look into it. It is worth noting what the guidelines say. Section 2 reads:

> It is by no means sufficient for a person in a position of responsibility in the public service to act within the law. There is an obligation not simply to obey the law but to act in a manner so scrupulous that it will bear the closest public scrutiny.

Surely if that is the duty of the public servant who merely advises a minister, then the minister who has the ultimate power to dispense has a much higher duty. That is the point of this amendment, Mr. Speaker. That is why I think the government ought to thank the Leader of the Opposition for the thoughtful amendment he has put, and why the government, men and women, ought to stand up and support that amendment. They should not hide behind the smokescreen of women's rights or the smokescreen that was raised by the government House leader on December 6, or something that I would not dignify with the name of smokescreen, and that is the speech of the hon. member for Vaudreuil.

The responsibility lies upon all of us to take our duties in our hands, recognizing that if we are to codify what is right in the eyes of the people of this country we ought to start where the responsibility is greatest and the duty is highest, namely, with ministers of the Crown. I ask the government to support the amendment on that basis.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, in considering this question of conflict of interest I think it is generally agreed that the important thing for members of the government is that they should not at any time be in a position where they can increase the value of their holdings by means of decisions they take in the particular spheres of activity which come under their direction as ministers of the Crown.

One way that has been suggested of meeting this problem is that a minister should put his or her investments into a frozen trust. This is definitely not a satisfactory solution to the problem, because although the minister cannot change his or her securities, he or she knows what those securities are, and the value of them can be affected very materially by decisions the minister may take if the operations of the company concerned come under his or her particular responsibility.

Another suggestion that has been put forward for meeting this problem is that a minister should put his securities into a blind trust where the owner is unaware of any changes made in the portfolio from time to time. Mr. Speaker, this method is equally impractical for meeting this very serious problem. Any member of this House who is a practical man or woman will realize that no agent into whose care such investments are entrusted will make any change in a portfolio without first checking with the owner through a third or fourth party. Therefore, Mr. Speaker, a blind trust becomes nothing more than a frozen trust and, as I have said, that is not a satisfactory solution. We should ask ourselves then what is a practical method of handling this very real problem which all governments face?

To begin with, for many years in the parliament of Canada it has been an unwritten rule that because of the great influence which the position of the Minister of Finance has on business affairs throughout the country, upon taking over his portfolio such minister should divest himself of all common stocks, and invest the funds that are realized through those sales in government bonds. I believe this procedure should become a formal requirement for the Minister of Finance, and also for the Prime Minister and the Minister of Industry, Trade and Commerce, because of the great influence their decisions have on the value of common stocks generally.

I also think that it is obvious that the Minister of Transport upon taking over his portfolio should divest himself of any stocks in transport companies. I believe too that the Minister of Energy, Mines and Resources should divest himself of any stocks in energy or mining operations upon taking office. As well, the stocks of any minister of the government which could possibly come under his own jurisdiction in the operation of the companies concerned, should be sold and the funds realized placed in some other investment. In this way when carrying out the duties within their responsibility, ministers would be free of suspicion of influencing in any way the value of stocks in companies which came under their particular department's authority.

Finally, Mr. Speaker, I believe that all ministers should declare their holdings in a written statement to the President of the Privy Council, and notify him by letter of any change that is made in their holdings. This would enable the President of the Privy Council, as the watchdog of the operations of cabinet—because the Prime Minister is obviously too busy to concern himself with details of this kind—to make sure that no changes are made in any portfolio as a result of cabinet discussions regarding various areas of business activity.

An obvious example of this is, of course, the discussions on the budget, in which all members take part before it is presented to parliament. In this way the holdings of cabinet ministers would not become public knowledge, and of course there is no justifiable reason why they should become public knowledge. It would also ensure that ministers would be precluded from making an increase in the value of their holdings due to information available only to them before an economic event takes place.

● (2110)

Finally, I wish to speak about cabinet ministers receiving gifts from those whose operations come within their jurisdiction. It is obvious that all ministers must be careful not to allow themselves to be put in a position in which it might appear that their decisions are influenced by the gifts they have received. If a minister is so foolish as to allow himself to be put in such a position, he has demonstrated that he did not possess sufficient judgment and common sense to warrant his appointment to the cabinet in the first place. Unfortunately, several members of cabinet have demonstrated just that in the past few days.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, at the outset let me make it clear that the questions I have directed to the ministry and the Prime Minister (Mr. Trudeau) during past months to do with conflict of interest guidelines for ministers, and the sentiments which prompted my participation in this debate tonight, have nothing to do with any fishing expedition relating to any individual minister.

If any person wishes to be overly dramatic and suggest that I make specific charges either inside or outside the House, let me say I have none to make. I repeat, what I have to say does not involve any fishing expedition relating to the morality of the cabinet in general or any individual minister in particular. However, let me say that the conflict of interest guidelines proposed by the Prime Minister are nothing less than an insult to our intelligence. My remarks tonight will pertain purely to those guidelines, as they relate to ministers of the Crown.

No person, be he eventually a minister of the Crown or an ordinary member of parliament, swears an oath of proverty when he decides to run for public life. As the Minister of Regional Economic Expansion (Mr. Jamieson) suggested, assets accumulated from the practice of a profession or private business should not bar one from public life. We are wrestling with that problem in Canada, and they are wrestling with it in the administration of the United States and the United States Congress.

An hon. Member: But that is a different situation.

Mr. Grafftey: I know the situation is different, but we are still wrestling with it. Just as judges, school teachers, rabbis, priests and other ministers of religion adhere to certain standards which are not ambivalent, so should members of parliament. Although we should not swear an oath of poverty, we should swear to serve the people in the truest and best fashion. For this reason I suggest that conflict of interest rules as proposed by the Prime Minister should be up-to-date and meaningful.

I was interested to hear the Minister of Regional Economic Expansion say how hard it is to build up a private business. I felt almost sorry for him as he pleaded. How-

ever, Mr. Speaker, most businessmen do not have the help of people like Mr. Smallwood. The minister should give the former premier of Newfoundland credit for his help in building up that private business. Let us call a spade a spade, and come clean with the Canadian people.

The differences between ordinary members and ministers of the Crown have been spelled out by members who have spoken this afternoon and this evening. The Prime Minister has tacitly admitted that there is a clear-cut difference between conflicts of interest involving ministers of the Crown and ordinary members of Parliament. In typical government fashion he has set up a bureaucracy in the Privy Council office which is to deal with this question, thereby admitting tacitly that there is a difference as between private members of parliament and ministers of the Crown. That is the basis for the amendment proposed by the Leader of the Opposition (Mr. Stanfield).

Let us begin and put first things first. Call a spade a spade. To pretend that ministers of the Crown are not privy to information which is not available to ordinary members, is folly. I suppose, under the Prime Minister's proposed conflict of interest rules, ordinary members of the House will have to parade to the Privy Council office and build up the bureaucracy which has been established to deal with ministers of the Crown. I suggest that the obvious repository of declaration of members of parliament is the Clerk of the House, under Mr. Speaker.

Having said that, let me show why the Prime Minister's proposed guidelines are a mockery and an insult to the intelligence of members and of the Canadian people in general. The green paper suggests that a minister will not be involved in a conflict of interest if he holds no more than 5 per cent of the stock of a company. Anyone who is familiar with the sorts of shares traded on the Montreal, Vancouver and Toronto stock exchanges knows that anyone who controls even 3 per cent of the shares of any major company has effective control of that company. Yet the economic wizards advising the Prime Minister suggest that a 5 per cent holding will not involve any conflict of interest. Such loose thinking in relation to proposed guidelines is not acceptable.

Some hon. members have alluded to frozen trusts and blind trusts. The hon. member for Prince Edward-Hastings (Mr. Hees) has talked about obvious loopholes concerning blind trusts. What about frozen trusts? Any minister involved in this situation may say that what is in a frozen trust is nobody's business but his own. He knows what is in the trust. While the assets are frozen, he might still be involved in a blatant conflict of interest, in view of his activities as a minister of the Crown.

It is not good enough to say a trust is frozen. A trust can be frozen, but the stock or assets can still increase in value; yet nobody except the minister involved will know about this, and this knowledge will remain unknown unless investigative research work is done. What will happen if one goes to the Privy Council office? Nothing, because nobody is allowed to know what is in a blind trust, except the minister involved. Obviously he knows what is in the trust.

[Mr. Grafftey.]

• (2120)

But the real reason, Mr. Speaker, brought up time and time again by the Leader of the Opposition, the pith and substance if you will of why the guideline rules are absolutely meaningless, is because they do not include spouses. I have asked the Prime Minister time and time again if during the period he gave individual ministers to put their affairs in order he could assure the House that no minister transferred to his or her spouse assets which, if held by the minister in question, would have placed him in a position of conflict of interest.

I was ruled out of order this morning with regard to this question. I want an answer tonight. Where is the Prime Minister during this debate?

Some hon. Members: Oh!

Mr. Grafftey: All the ministers do is laugh. The Canadian people are asking these questions through me. Did any minister, during the time he or she was given to put his or her affairs in order by the Prime Minister, transfer assets to his or her spouse which if held by him or her would place him or her in a position of conflict of interest? How many many times do I have to ask that question? Oh, I see the Minister of Public Works (Mr. Drury) looking at me quizzically, but he has enough knowledge of economics to know what I am talking about, I hope. The Canadian people will not be satisfied—

Mr. Drury: I was just wondering whether the hon. gentleman, in his enthusiasm, recognized that I am a widower.

Some hon. Members: Oh, oh!

Mr. Grafftey: I already made it quite clear at the beginning of my remarks that I was not on a fishing expedition. I don't know, maybe I have lost my sense of humour, but I didn't find that all that funny. Well, hon. members opposite laugh, but do they really feel the Canadian people are that stupid, to see the man who has the senior elective office in this country come and say, "Look at your great guidelines for conflict of interest of ministers." They don't even include spouses. He gives the ministers for ever and a day, while he builds up a big bureaucracy in the Privy Council offices, to put their affairs in order. The Leader of the Opposition time and time again asked why spouses and next of kin are not included in these great new guidelines. And until the government comes clean with this House and with the Canadian people we are going to persist in our questioning, because the government must not only be honest it must seem to be honest.

Why have all these blind trusts, open trusts, the big bureaucracy in the Privy Council, but not including spouses? Can the Prime Minister come and join this debate? I was ruled out of order this afternoon on the ground that the Prime Minister would be here in the House to answer in this debate. Well, where is he? And if I ask that question tomorrow, will he guarantee this House that, during the time he gave ministers to put their affairs in order, no assets were transferred to spouses to avoid individual conflict of interest? That is what I want to know. That is what this House wants to know. That is what the Canadian people want to know.

The only kind of declaration that will satisfy the Canadian people and this House is an open and complete declaration by ministers of the Crown of all their holdings, and not all the blind trusts, open trusts, frozen trusts—sending the press up to the Privy Council offices on a wild goose hunt to find nothing. What have you got to hide?

Mrs. Sauvé: Nothing.

Mr. Grafftey: You say nothing. Then tell us. If it is nothing, then let us see. Because only with this kind of open and full declaration will the Canadian people and this House be satisfied, and will the government led by the right hon. Prime Minister have played a leadership role in some small way in making this institution a little more meaningful.

Mr. Eldon M. Woolliams (Calgary North): We have just listened to some real oratory and some excellent positive suggestions by the member for Brome-Missisquoi (Mr. Grafftey).

I think that in taking part in a debate of this nature, in the ten minutes allotted to me I might just lay what I would call an introduction. I think that we as Canadians can be proud, looking over our history, and at the various governments—we have had two kinds to date, Liberals on the one hand and Conservatives on the other—that we have been fortunate to have experienced relatively few scandals of any significance which pertain to conflict of interest.

The first thing to remember is that no matter what rules we may lay down, the morality of the people themselves who serve in this chamber is of primary importance. I cannot forget the lessons I learned in political science from George Britnell, who was a great political scientist in the Province of Saskatchewan. He said you can legislate anything, but you can never really legislate morality. So I think that really the first few words that are necessary to set the tone for what I have to say are that we have been very fortunate in the kind of Canadians who have come here, and who are representative of Canadians everywhere in every segment of society; and our scandals as we look over history have been pretty unimportant. We have, therefore, been pretty fortunate and we can be quite proud as Canadians.

I think the most important part of this debate arises out of the amendment moved by our leader. I would hope, looking at it, that having been considered by both sides of the House, it would receive unanimous consent and endorsement. To my mind, if that happened it would be monumental because the first thing to do is to differentiate between the responsibilities of a cabinet minister and of a member of parliament.

All of us realize that to become members of parliament under our particular system of government we must first be elected. But when we are appointed cabinet ministers our responsibilities become entirely different from those of ordinary members. I want to draw a few illustrations, because you can use rhetoric but you need to get down to brass tacks when you are considering the difference between a cabinet minister and a member of parliament.

Let us take a few examples. Consider the Bank Act. Members of the cabinet are the first to know whether they are going to take the 6 per cent ceiling off interest rates. They are privy to this knowledge long before other members of parliament. A cabinet minister is armed with knowledge that no other member of parliament possesses. Anyone with any knowledge of business knows that once interest rates are free the price of bank stock is bound to increase. We saw this very thing happen when the Bank Act was changed, when the interest rate was allowed to run free and the ceiling of 6 per cent was removed. The value of the stock increased. Even on the market today, in its most depressed state since 1970, the values of bank shares are still greater on the Toronto and Montreal stock exchanges than they were on the day it was announced that the Bank Act would be changed.

Another good example is in the field of transportation. The Minister of Transport and his cabinet colleagues were the first to know that a big airport was to be built and that, as a consequence, a great deal of property would be expropriated. Of course if land is to be expropriated it is subject to changes in value. This is why there have to be rules for ministers to prevent them making substantial sums of money either for themselves or their friends.

● (2130)

One hon. member talked about running a country which had a budget of $26 billion. That is a large amount; of course the government is the largest enterprise that we have in this country. But we also have people who are privy to knowledge concerning the gross national product, which is subject to changes in the field of taxation, to decisions made by the Minister of Finance (Mr. Turner) and other ministers, which affect the shares of corporations. Thus people are armed with this knowledge This is why we need men and women who have sufficient integrity not to use this information for their material gain and enrichment.

The amendment now before the House is suggesting that we start at the top, where the decisions are made, when it comes to dealing with conflict of interest. I think it is a monumental suggestion, and I hope it receives 100 per cent support. Surely we can forget partisan viewpoints in this regard. It was this party that initially suggested this debate, and it was the government House leader who came forth with a motion. Our leader came forth with an amendment that is practical from the point of view of dealing seriously and responsibly with this question of conflict of interest.

The second point I want to make, which is most important in terms of the cabinet, concerns the image of the Prime Minister (Mr. Trudeau). The Prime Minister of this country must always set an example. If he is ever careless in so far as a conflict of interest is concerned, or if he leaves a wrong impression or does something that gives a wrong impression, his image suffers.

I should like to pay a compliment to two prime ministers who served during the time I have served. I refer to the right hon. member for Prince Albert (Mr. Diefenbaker) who, whatever the critics said about him, was above reproach in regard to setting an example of the kind I have mentioned; and to the prime minister before him,

Louis St. Laurent, who had the same character and integrity. Such example, of course, sets the tone of the cabinet itself.

When the vote comes tonight I hope we will have the support of hon. members for the amendment. We should differentiate between cabinet minister and backbenchers. Backbenchers do have some knowledge when bills come before them or when facts are given to the House, but cabinet ministers are decision makers and are privy to knowledge long before parliament.

I sit here day after day, and what I object to, when questions are asked, are cabinet ministers who leave the impression with the media that there is no difference between privy councillors and ordinary members of parliament. I am not fond of the term "backbencher". A lot of people who use the term "front bencher" and "backbencher" seem to think it denotes where a member sits. As I understand British political history, a frontbencher is a privy councillor. Whether he sits in the back row or in the front row, he is equally a member of parliament. However, there is a difference between a member of the cabinet and a member of parliament when it comes to questions of conflict of interest.

I hope that whatever rules are laid down there will be no straitjacket. I agree with my hon. friend that a blind trust, or that putting stock in what is called a frozen trust, is no real, solid solution. We need sound rules. In order to play baseball or football we must lay down the rules of the game, so the game can be played properly and responsibly. Any member of this House can suggest a rule or put something down in writing, but one thing I have learned as a lawyer is that if a person in his own conscience sets out to do wrong and intends to do wrong, no matter what is written in a document or in all of the statute books, that person will do wrong.

I hope that whatever rules are laid down, whether for cabinet ministers or for members of parliament, there will not be a straitjacket in any sense of that word. I come back to my opening remark, that the strength of the question whether we allow our public interests to conflict with our personal interests depends upon the integrity, calibre and character of the men and women who are elected to this place. Since I have only ten minutes and I see my time has already elapsed, I should like to hear from some of my colleagues in this connection.

[*Translation*]

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, thank you for allowing me to take part in the debate. This debate is all the more important as it comes a few days after the discussion of the topic which has aroused Canadian public opinion, and stirred this side of the House as well as the other. That debate also proved the vulnerability of political parties. Indeed, we learned in the course of the deliberations that as many hon. members on this side of the House as hon. members of the official opposition, received contributions from unions whose activities have brought up questions in several person's minds. I was surprised, Mr. Speaker, to learn that hon. members of the opposition had also accepted gifts, all in all quite modest, from a union, thus exposing themselves, to comparable blame, which the ministers willingly pointed out. Indeed, if the majority—

[Mr. Woolliams.]

Mr. Fortin: Mr. Speaker, I rise on a point of order.

I apologize to the hon. member. I think he made a *lapsus linguae* when he said hon. members of the official opposition and of the other parties. I want to point out to him that it has been publicly confirmed that the Social Credit Party was not involved with the unions concerned.

Mr. Joyal: I thank the hon. member for Lotbinière; the point he raised is indeed correct.

I was pointing out, Mr. Speaker, that if a majority of Canadian voters had favoured members of the party of the official opposition we would probably have had the same debate, and vice versa, as in the final analysis our system showed in the past that the door was open to actions by groups that could readily be questioned.

● (2140)

And that is precisely why the 29th Parliament passed a bill thenceforth allowing all members of recognized parties to receive contributions, but also disclose the origin of such contributions.

Indeed, Mr. Speaker, I think that today's debate is the logical follow-up to those situations we pointed out, that the prime responsibility for detecting conflicts of interest rests with the political party itself.

Indeed, when political parties have to chose candidates, quite often they must take into account a number of factors, including of course the honesty of individuals, their competence, and also their role in the professional world.

As a matter of fact, most parties that want to undergo a change are increasingly looking for candidates with extensive experience, and that experience includes the realm of business, of professions, of education as well as all sectors related to government activities.

It would be quite easy, Mr. Speaker, when considering the situation of every member, to find that at a given moment one or the other could be in conflict of interest. It is not because of person is not a shareholder of a company or a property owner that he or she is necessarily unaffected by all kinds of conflicts of interest.

When a bill is introduced in the House, an active union member or a businessman fights for the opinions, the interests of the people among whom he has gained his own experience.

And in this context, I think it is a little simplistic to limit the debate or conflict of interest solely to the financial aspect. This responsibility of political parties should be thoroughly investigated to develop a code of ethics. And I believe it is really on this area that we should concentrate.

A code of ethics, Mr. Speaker, does not have a solely repressive effect, it does not aim simply at imposing sanctions for offenses, but it also has a normative effect. The hon. member for Saint-Hyacinthe (Mr. Wagner), when underlining the importance of an investigation on organized crime in a previous speech, showed that the aim of such an investigation was not necessarily repressive but normative, that it aimed at warning people about a possible danger and at contributing to the development of a valid policy taking these dangers into account. I believe

that a code of ethics should be adopted, and my colleagues in the House of Commons should be interested in promoting such a code.

Indeed, Mr. Speaker, I am not one of those who believe that only ministers and senior public servants can be involved in conflicts of interest. Having had a role in a minister's office which, as the hon. member mentioned, dealt daily with cases of future expropriation, I know that ministerial staff can be as involved in conflicts of interest as the minister himself, since during the course of their work, they have access to information that they could use to their own advantage or in such a way as to help other people they know to make profits.

I also do not believe that not being a cabinet member is reason enough to be excluded from this legislation. Many of us have had previous professional responsibilities in the business world, and the companies for which we used to work may—one day or even now—have negotiations with the government and make representations to obtain contracts and responsibilities. And the fact that we no longer belong to these companies does not exclude us from conflicts of interest.

Mr. Speaker, I believe that if we really want to have a serious and non-partisan approach to this matter, we must consider it in its whole, we must consider the responsibility of political parties when they look for candidates, people who necessarily have had professional experience and interests in wide ranging economic activities. And the aim of most political parties when they want to be renewed is to call upon people who have proved themselves in the business or academic world or as professionals.

But to look for angels and to believe that candidates can be found who are immune from any conflict of interest is, in my opinion, Mr. Speaker, to oversimplify politics, which does not necessarily imply that political parties or individual members of the House have no responsibilities. But they can only assume those responsibilities if a code of ethics is actually adopted and if that code of ethics aims at both objectives I mentioned earlier, that is, first a normative objective that would consist in creating within groups, among people with public responsibilities, a certain set of values of honesty and of the services to be rendered primarily to the public. But I do not think we are doing Canadians a service if we try to keep this debate within the narrow limits of contributions that may have been received during an election campaign. We dealt with that problem especially during the 29th parliament when legislation was passed, but in the present situation, what we must establish within the public service, within the Parliament, is actually a set of values that would bring everyone to model his conduct after a service to the public which is not what we have witnessed in the past days.

I should like to report, Mr. Speaker, that in some countries—and I am thinking of Britain and the United States in particular—the intelligence of citizens was not insulted because not every minister and state secretary in the past had to disclose his interests. In my opinion, if we must seek a solution agreeable to all hon. members, we will really find it by giving up partisanship and by strictly keeping in mind the need to improve the relations which hon. members of Parliament ministerial staff officials and ministers themselves will have with their constituents.

[*English*]

The Acting Speaker (Mr. Penner): Order, please. It being 9.45 o'clock p.m., pursuant to special order made Monday, December 9, 1974, it is my duty to interrupt the proceedings to put forthwith all questions necessary to dispose of the motion. The question, therefore, is on the amendment to the motion in the name of Mr. Stanfield. All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Penner): Call in the members.

The House divided on the amendment (Mr. Stanfield) which was negatived on the following division:

● (2150)

(*Division No. 11*)

YEAS

Messrs.

Alkenbrack
Allard
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Balfour
Bawden
Benjamin
Blackburn
Brisco
Broadbent
Caouette (Villeneuve)
Carter
Clark (Rocky Mountain)
Coates
Crouse
Darling
Dick
Dinsdale
Dionne (Kamouraska)
Douglas (Nanaimo-Cowichan-The Islands)
Elzinga
Epp
Firth
Forrestall
Fortin
Fraser
Gauthier (Roberval)
Gilbert
Gillies
Grafftey
Halliday
Hamilton (Qu'Appelle Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hnatyshyn
Holmes
Huntington
Hurlburt
Jarvis
Johnston
Jones
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
La Salle
Leggatt
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacKay
MacLean
Macquarrie
Malone
Marshall
Masniuk
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Muir
Munro (Esquimalt-Saanich)
Neil
Nielsen
Nowlan
Nystrom
Oberle
O'Sullivan
Paproski
Patterson
Peters
Reynolds
Ritchie
Roche
Schellenberger
Skoreyko
Smith (Churchill)
Stanfield

Messrs.

Stevens	Towers	Whittaker
Stewart (Marquette)	Wagner	Wise
Symes	Wenman	Woolliams
	Whiteway	Yewchuk—95

NAYS

Messrs.

Allmand	Fox	Martin
Anderson	Gauthier (Ottawa-Vanier)	McIsaac
Andres (Lincoln)	Gendron	McRae
Baker (Gander-Twillingate)	Gillespie	Morin (Mrs.)
Béchard	Goodale	Munro (Hamilton East)
Bégin (Miss)	Goyer	Nicholson (Miss)
Blais	Gray	O'Connell
Blaker	Guay (St. Boniface)	Olivier
Blouin	Guay (Lévis)	Ouellet
Boulanger	Guilbault	Parent
Breau	Haidasz	Pearsall
Buchanan	Herbert	Pelletier (Hochelaga)
Bussières	Holt (Mrs.)	Pelletier (Sherbrooke)
Cafik	Hopkins	Penner
Campagnolo (Mrs.)	Isabelle	Philbrook
Campbell (Miss) (South Western Nova)	Jamieson	Pinard
Caron	Joyal	Portelance
Clermont	Kaplan	Poulin
Collenette	Lachance	Railton
Comtois	Lajoie	Raines
Condon	Lalonde	Reid
Corbin	Landers	Roberts
Corriveau	Langlois	Robinson
Côté	Laniel	Rooney
Cyr	Lapointe	Roy (Timmins)
Danson	Leblanc (Laurier)	Roy (Laval)
Daudlin	LeBlanc (Westmorland-Kent)	Sauvé (Mrs.)
De Bané	Lefebvre	Sharp
Demers	Lessard	Smith (Saint-Jean)
Dionne (Northumberland-Miramichi)	Loiselle (Chambly)	Stollery
Douglas (Bruce)	Loiselle (Saint-Henri)	Tessier
Drury	Lumley	Trudeau
Dubé	MacDonald (Cardigan)	Trudel
Duclos	Macdonald (Rosedale)	Turner (London East)
Dupont	MacGuigan	Turner (Ottawa-Carleton)
Dupras	Marceau	Yanakis
Duquet	Marchand (Kamloops-Cariboo)	Young—114
Ethier		
Flynn		
Foster		

● (2210)

Mr. Speaker: I declare the amendment lost. The question now is on the main motion. Is there a disposition to deal with the main motion by a voice vote. Shall the motion carry?

Some hon. Members: On division.

Motion (Mr. Sharp) agreed to on division.

MOTION FOR CONCURRENCE IN SUPPLEMENTARY ESTIMATES (B)

Hon. Mitchell Sharp (for the President of Treasury Board) moved:

That supplementary estimates (B) 1974-75, laid upon the Table, Friday, November 22, 1974, be concurred in.

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

[The Acting Speaker (Mr. Penner).]

Some hon. Members: Agreed.

Motion agreed to.

Mr. Sharp (for Mr. Chrétien) thereupon moved that Bill C-42, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1975, be read the first time and printed.

Motion agreed to.

Mr. Sharp (for Mr. Chrétien) thereupon moved that Bill C-42, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1975, be read the second time and referred to the committee of the whole.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Laniel in the chair.

Clause 2 agreed to.

The Chairman: Shall clause 3 carry?

Mr. Fortin: On division.

Clause 3 agreed to on division.

The Chairman: Shall clause 4 carry?

Mr. Fortin: On division.

Clause 4 agreed to on division.

On clause 5—*Power to raise loan of $2,500,000,000 for public works and general purposes.*

Mr. Lambert (Edmonton West): Could I ask the Minister of Finance to tell us the exact purpose of clause 5 which is in addition to the usual form of an appropriation bill? We are now being asked to approve the granting of additional authority to the Governor in Council to borrow sums of roughly $2.5 billion, as I read it. There may be a valid explanation, but I think it should be on record.

Mr. Turner (Ottawa-Carleton): The hon. member is very observant, as usual. The reason we need extra borrowing authority is because of the extra liquidity given to us as a result of the very successful Canada Savings Bond campaign.

The Chairman: I wish to bring it to the attention of the committee that I thought the hon. member for Edmonton West was rising on a point of order. By virtue of an order of the House which has been accepted we are to dispose of this bill without debate. Thus, I consider the question raised by the hon. member for Edmonton West to be a point of order, and I will recognize the hon. member for Lotbinière (Mr. Fortin) in the same way.

[*Translation*]

The hon. member for Lotbinière.

Mr. Fortin: Mr. Chairman, I rise on a point of order. I did not hear clause 5 was carried and I had a question for the Minister of Finance concerning the proposed interest rates on the $2.5 billion bond issue.

The Chairman: Order. The chair is in a somewhat awkward position. The House instructed the committee to

deal with the bill without debate, and if at this point I recognized the hon. member for Edmonton West, I thought he rose on a point of order. I may be inclined, to be fair to the hon. member for Lotbinière, to give him the same opportunity, but I would not like him to press his question any further if the minister will answer.

Mr. Fortin: Mr. Chairman, I rise on the same point of order. Thank you, Mr. Chairman, but I put the question at this point to show that we are now giving the Minister of Finance authority to borrow $2.5 billion. A completely ridiculous procedure. I believe this system of carrying the motion will be abolished when we debate amendments to the procedure.

● (2220)

The Chairman: Order. I must emphasize, for the benefit of the hon. member, that we have to act with such speed not only because of House or committee procedure, but also because there was an order by this House, approved by all members and the hon. member in particular, that tonight, at this time, we vote all necessary estimates, all amendments and the main motion.

Mr. Lambert (Bellechasse): Mr. Chairman, I rise on a point of order.

The Chairman: Does the hon. member rise on a point of order?

Mr. Lambert (Bellechasse): Yes, Mr. Chairman, I rise on a point of order. I have to apologize, Mr. Chairman, for not being very familiar with procedure, because I am specializing mainly in production, and not in estimates. I would therefore ask for what I believe is a warranted explanation.

On Clause 5: $2.5 billion which may be required for Public Works—I agree with this—and other general purposes.

Mr. Chairman, I would like the hon. Minister of Finance to clarify what is meant by other general purposes. Mr. Chairman, I have risen on a point of order, which is a serious matter, and I would like to keep the floor. If we have 50 chairmen in the House, it will simply not work.

The Chairman: Order, please. I ask the hon. member to resume his seat. I simply wish to refer him to the decision arrived at by the House last Friday which compels the Committee, at this stage, to pass the bill clause by clause, without debate. Then, the hon. member has the privilege to vote against Clause 5 if he is dissatisfied with the gist of it. He can only show his dissatisfaction by his vote. Therefore, I must at this time avoid other debates and, unless hon. members rise on points of order or procedure, I must call Clause 5.

[*English*]

Clause 5 agreed to: Yeas, 180; nays, 5.

Clause 6 agreed to.

Schedule agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Sharp (for Mr. Chrétien) moved that the bill be concurred in.

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

An hon. Member: On division.

Motion agreed to, on division.

Mr. Sharp (for Mr. Chrétien) moved that the bill be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

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BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, I think the government House leader was in some doubt a couple of days ago about the business for tomorrow. Perhaps he might be able to enlighten the House tonight as to what we will be doing tomorrow.

Mr. Sharp: Mr. Speaker, it is the intention of the government to call two bills standing in the name of the Minister of Finance, Bill C-40 and Bill C-39, in that order.

Mr. Speaker: Order, please. It being after ten o'clock, pursuant to standing order the House stands adjourned until 2 p.m. tomorrow.

At 10.31 p.m. the House adjourned, without question put, pursuant to Standing Order.